

## U.S. Lawmaker Sees Danger in Proposal On Europe Missiles

Compiled by Our Staff From Dispatches  
WASHINGTON — The chairman of the House Armed Services Committee said Sunday that the proposed accord on medium-range missiles in West Europe was "a little bit dangerous" while the chief

Soviet deployment of SS-20s in the late 1970s began the debate over missiles. Page 6.

Soviet negotiator at the Geneva arms talks expressed optimism that an agreement could be reached by the end of the year.

"I think that there is a possibility now to reach an agreement, if there is a real willingness to do so without raising any artificial obstacles," said Viktor P. Karpov, the chief Soviet arms control official, in a U.S. television interview.

Representative Les Aspin, a Wisconsin Democrat, chairman of

the House Armed Services Committee, said he was worried by the proposal. Mr. Aspin was part of a congressional delegation that met with the Soviet leader, Mikhail S. Gorbachev, last week.

Mr. Aspin said the agreement being worked out "worries me a very, very great deal," adding: "I think that this business of gradually eliminating sections of nuclear weapons is not a very smart idea given the fact that as long as there's conventional imbalance in Europe we're going to need nuclear weapons."

"It's a process there that I think is a little bit dangerous," he said. "We're eliminating the safest weapons and leaving in the most dangerous."

Mr. Aspin appeared on the same program as Mr. Karpov, director of the Soviet Foreign Ministry, and a U.S. presidential adviser, Paul H. Nitze.

Mr. Karpov said that during his talks with Kremlin leaders in Moscow last week, Secretary of State George P. Shultz was given "an exact deal that would lead to the meeting" of President Ronald Reagan with Mr. Gorbachev "in the autumn or at the end of the year" to sign arms agreements.

Mr. Nitze said an agreement could be reached by May after U.S. officials take the U.S.-Soviet proposals to NATO's military and political leaders.

"I think all those things can be done in not more than another couple of weeks," Mr. Nitze said.

"If I am any judge of things," said Jim Wright of Texas, the Democratic speaker of the House of Representatives on another interview program, "this is the best opportunity we've had since World War II" to have an arms agreement.

On the same program, Richard N. Perle, the assistant defense secretary who oversees Pentagon arms-control matters, expressed similar guarded optimism.

"I would think the chances are quite good for a summit," he said, "provided we settle the issue of verification, and provided we get a satisfactory solution to the short-range missile problem."

The United States is considering a proposal discussed last week by Mr. Shultz and Mr. Gorbachev under which each country would eliminate all of its medium-range missiles in Europe, while keeping 100 warheads on its own territory.

Mr. Gorbachev also proposed eliminating short-range missiles in Europe, an idea that has raised concerns among some NATO allies and American lawmakers wary of the Soviet conventional force advantage.

The American officials on the program differed about the budgetary implications of a removal of some American and Soviet weapons from Europe.

Mr. Wright said that with an arms control agreement, "we can begin to make some dent in these huge deficits" of about \$200 billion

over offer from Amoco. Page 7.

### Kiosk

#### French Reactor Closed by Leak

PARIS (AP) — A reactor at the Fessenheim nuclear plant near the Rhine River in northeastern France was temporarily shut down after a vapor leak Sunday, officials said.

Officials said radioactivity levels in the released vapor were "not significant" but that they would "proceed anyway with the necessary checks" to ensure public safety.

Clayton K. Yeaster, the U.S. trade representative, is in Tokyo to discuss U.S. sanctions against Japan. Page 7.

**GENERAL NEWS**

- Philippine troops put down a revolt, killing one. Page 2.
- Fidel Castro speaks of sports and AIDS. Page 3.
- Three Phoenix Suns players face drug charges. Page 12.
- Dome Petroleum of Canada accepted a \$3.86 billion take-over offer from Amoco. Page 7.

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Beating drums, supporters of the Argentine government demonstrated Sunday at the Plaza de Mayo in Buenos Aires.

## U.S., Soviet Gorbachev Suggests U.S. Blacks Live To Exchange In Separate States, Congressmen Say Test Sites

By Bill Keller  
*New York Times Service*

WASHINGTON — The United States and the Soviet Union have agreed to conduct underground nuclear tests at each other's test sites as a first step toward improved verification, Kenneth L. Adelman, director of the U.S. Arms Control and Disarmament Agency, said.

Under the plan, which was proposed by the Soviet Union and approved in Moscow last week, a U.S. nuclear device would be exploded at the Soviet test site and a Soviet device would be detonated at the U.S. test site in Nevada.

The exchange of tests would allow each side to calibrate its seismic monitoring systems, a spokesman for Mr. Adelman said Friday.

The agreement came after Soviet leaders backed away from immediate negotiations on new procedures to verify the 1974 threshold test ban treaty.

That pact, which limits both sides to explosions of 150 kilotons or less, has not been ratified by the United States because the Reagan administration believes better verification is needed.

Mr. Gorbachev was rather un-informed about the desires and aspirations of black people in America," said Representative Mickey Leland, a Democrat of Texas.

Mr. Leland, who is black, said that he found the remark "somewhat offensive" and that he mentioned his concern to the Soviet leader as the members of Congress were filing out of the Kremlin meeting room. He said the Soviet leader listened politely and made a noncommittal response.

Representative Les Aspin, a Wisconsin Democrat, recalled that Mr. Gorbachev's comment echoed an idea endorsed by the United States Communist Party in the 1930s to carve out an all black state to encompass Mississippi and Alabama. The idea was not well received by American blacks.

Those interviewed said that apart from his human rights remarks, Mr. Gorbachev impressed

them as politically savvy, energetic and committed to change.

According to Representative Norman D. Dicks, a Democrat of Washington, Mr. Gorbachev complained that the United States of

A U.S. side saw little hope for increased Soviet Jewish emigration. Page 2.

ten criticized shortcomings in the Soviet Union, but is not "self-critical."

Members of Congress said the remark appeared to be spontaneous, and Mr. Gorbachev did not explore it in detail.

Bui several of those present said they felt the comment reflected a fundamental misunderstanding of how Americans viewed minorities and did not bode well for a meeting of minds on human rights issues.

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Those interviewed said that apart from his human rights remarks, Mr. Gorbachev impressed

suggested that the United States consider providing such separate states for blacks, Puerto Ricans and Polish-Americans.

### Report Is Denied

U.S. and Soviet officials on Sunday denied that Mr. Gorbachev made such a suggestion seriously. Reuters reported from Washington.

"He was talking in terms of what they are trying to do in order to create more integrity for their ethnic minorities in their country," said Jim Wright of Texas, the Democratic speaker of the House of Representatives and one of the congressmen who was in Moscow last week.

"It was somebody's invention," said Georgi A. Arbatov, director of the Soviet Institute for U.S. and Canadian Studies.

Mr. Dicks said Mr. Gorbachev

## Rebel Soldiers Surrender After Visit by Alfonsín

Reuters  
BUENOS AIRES — President Raúl Alfonsín of Argentina said Sunday that the remaining leaders of a four-day army rebellion had surrendered and would be detained.

He made the announcement shortly after he visited the Campo de Mayo base and talked to the leader of the rebels, Lieutenant Colonel Aldo Rico.

The president flew to Campo de Mayo after saying, at huge rally in the central square outside Government House in Buenos Aires, that he would make a personal plea to the rebels. He asked the crowd to wait, saying he would return soon with a reply.

After his return, he told the crowd that the rebels had laid down their arms and had been arrested.

"Today we can give thanks," Mr. Alfonsín said. "The house is in order and there is no blood."

The government earlier delayed military action against the rebels, amid reports that loyalist troops were resisting orders to attack.

General Ernesto Alais, commander of the government troops, said he had ordered a delay in attacking the rebels whose leader had vowed to fight to the death.

The uprising began Wednesday, when Major Ernesto Guillermo Barreiro refused to appear in a civilian court for questioning about abuses committed in an army-run detention center in Córdoba in the mid-1970s.

The army leadership responded by dismissing him. He then took refuge in the officers' club of the 14th Airborne Regiment, where he was joined by other mid-level officers.

Major Barreiro fled Friday by car out a back gate of the Córdoba base. His supporters in Córdoba later ended their rebellion, but the rebels at Campo de Mayo refused to surrender.

Up to 600 rebels were en-

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Lieutenant Colonel Aldo Rico, the rebel leader, at Campo de Mayo army base.

## Palestinians Cross Border, Raid Israel

By Thomas L. Friedman  
*New York Times Service*

JERUSALEM — Two Israeli soldiers were killed Sunday in a shoot-out with a small band of Palestinian guerrillas who slipped past Israeli troops in southern Lebanon, cut through the border fence and crossed into northern Israel, an Israeli Army spokesman said.

The Israel radio said that three Palestinian guerrillas, who crossed the border near the Menara kibbutz, "were wiped out," but not before they were able to kill the two Israeli soldiers who had tracked down their hiding place in an apple orchard inside Israel.

An army spokesman confirmed that all the guerrillas were killed, but declined to specify their number.

Several hours after the raid, an Israeli military spokesman said Israeli helicopters had attacked a one-story building used as a base for launching "terrorist operations" on Israel, returned safely to base and reported scoring "accurate hits." United Press International reported from Tel Aviv.

The statement did not identify which group used the building on the outskirts of the Rashediyeh Palestinian refugee camp near the southern Lebanese port of Tyre, 13 miles (20 kilometers) north of the border with Israel.

For Israel it was the bloodiest cross-border incident since April 1980, when three Israeli civilians died and five Palestinian gunmen were killed during an attack by the guerrillas on the northern Israeli border settlement of Misgav Am.

A Middle East expert at Tel Aviv University, Clinton Bailey, said the guerrilla raid appeared to be timed to coincide with the convening on Monday in Algiers of the Palestine National Council, the Palestine Liberation Organization's so-called parliament in exile. One PLO group probably was trying to either demonstrate its strength or upset the others by launching a spectacular attack into Israel on the eve of the meeting, he said.

The Palestinian guerrillas were from Yasser Arafat's el-Fatah organization and were found carrying a list of Palestinian prisoners in Israeli prisons whose release they risked.

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## A Dutch Abbey's Easter for 'Dispossessed'

By Francis X. Clines  
*New York Times Service*

HEESWIK, the Netherlands — A bright pile of yellow flowers, fresh cut from this nation's spring treasure of blossoming fields, was all that punctuated the Good Friday hush when Jesus was pronounced dead once more in the church of Berne Abbey.

"He bowed his head," the priest chanted at the altar, singing in Dutch the old tale of Jesus's crucifixion agony. "And he died."

The church was filled and the congregation instantly went to its

Pope John Paul II urged people to revere life in an age of technology. Page 2.

Knees, just as all of Roman Catholicism did this Easter weekend, in preparation for the Sunday celebration of resurrection and the victory over death.

Here at Berne Abbey, such a scene might have seemed unusual for less knowledgeable outsiders who regularly come to visit the famous "rebels'" Catholic abbey run by the Reverend Arthur Baeten.

He is the abbot of the Berne congregation of Norbertine monks, and he understands Jesus's gospel to mean that he must offer old-fashioned church sanctuary to those he has termed "the Vatican's dispossessed" — disdained Catholic priests and laymen.

Homosexuals, lesbians, unmarried and remarried lay people, whose unions are condemned, these and more are welcomed to Berne Abbey to reside and confer for a time in a religious atmosphere. Various people who might be denied the sacraments elsewhere but who consider themselves true



HOMOSEXUAL PROTEST — A Dutch homosexual wearing a pink triangle with the legend "practicing homosexual and Catholic" at an Easter Mass in Den Bosch to protest the policy of Bishop Johannes ter Schure to refuse communion to homosexuals. The pink triangle was the symbol used by the Nazis during World War II to identify homosexuals.

Catholics receive communion and to troubled Catholics several years ago. "All those to whom the bishops now like us to refuse Holy Communion are welcome to worship them as they wish in a church they can believe in," the 1960s.

This extra hand extended in Jesus's name in the flat glare of the fields in the southern Netherlands is hardly a matter of concern for many Dutch Catholics, who proudly point to their individualism over the years in dealing with official pronouncements.

Attendance at Mass among the 5.5 million baptized Catholics, who are more than a third of the Dutch population, has fallen to about 60 percent currently from 60 percent in the 1960s.

In fighting for its own orthodoxy, the church hierarchy's latest bars and cautions against supporting euthanasia and homosexuality in Holland have come to be at odds with public opinion polls that show Catholic laymen mainly accept this

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The decline began in the 1970s, but was hidden from sight at first, until exposed by the sudden collapse of the U.S. position in world trade, said George N. Haisopoulos, a Massachusetts business executive and author of several studies on competitiveness.

That other nations would close the economic gap with the United States was both inevitable and international, particularly in the case of Japan and West Germany, whose revival was a goal of U.S. foreign policy after World War II.

But now the gap has closed and

## Frequent Fliers, Frequent Litigants

Airlines' Changes in Rules for Awards Prompt Lawsuits

By Eric Schmitt  
*New York Times Service*

NEW YORK — For the past seven years Raymond W. Zrike went out of his way to fly Trans World Airlines, and last month it was about to pay off: He passed the 90,000-mile mark, enough to get two free first-class round-trip tickets to the airline.

That is, until TWA notified him it had raised the requirement for that award in its "frequent flier" program to 110,000 miles, effective April Fool's Day.

"I'm so aggravated — I was just about to use the award," said Mr. Zrike, 64, a glassware importer in Manhattan, who still may go to Europe this fall using a lesser award. "Over the years I could have chosen other airlines instead of TWA. This is unfair and unethical, if not immoral."

That other nations would close

the plateau by many carriers to increase mileage levels needed to win free trips or better seats to such popular destinations as Hawaii and Western Europe.

Many travelers say they were on the brink of reaching awards for big trips when the airlines upped the ante. Most lines have given travelers at least a month's notice to redeem their miles under old award schedules, but many fliers say that is not enough time.

The result is

## Philipine Loyalists Put Down Army Revolt

**Reuters**  
MANILA — One mutineer was killed and two hostages wounded as forces loyal to President Corazon C. Aquino put down an eight-hour revolt by a small group of soldiers over the weekend.

The armed forces chief of staff, General Fidel V. Ramos, said the mutineers would face "severe punishment."

The military said it was holding 12 soldiers under heavy guard at army headquarters in Manila after crushing the mutiny, during which the rebels demanded that Mrs. Aquino resign and hand over power to the military.

[Nineteen soldiers who joined the mutiny are missing, the official Philippine News Agency said Sunday. Agence France-Presse reported.

[The names of the 19 soldiers, who were among those freed by the rebels, were missing from the official list of those who were recaptured, the government news agency said, citing military reports.]

[I don't know what happened," the agency quoted an armed forces spokesman, Colonel Honorio Isletas, as saying. "They may still be hiding inside the camp, kept by sympathizers, or they may have escaped.]

Led by a former sergeant, Ernesto Librado, a member of the bodyguard unit of former President Ferdinand E. Marcos, the soldiers seized the headquarters building and tried to release 102 soldiers awaiting court-martial for their alleged part in a military revolt in January, a presidential statement said.

It said that 42 of the detained soldiers, as well as nine military policemen guarding them, joined the group.

Mr. Librado has been absent without leave from the army since Mr. Marcos fled the Philippines for exile in Hawaii.

The mutiny erupted at 3:45 A.M. Saturday when 13 rebel soldiers in a truck rammed their way through the main gate of Fort Bonifacio, the army headquarters in Manila, the statement said.

General Ramos said later that when the rebels found the camp's gate blocked they raided an armory, seized about 10 guns, and then occupied the main headquarters building after taking about 20 hostages, including four colonels, Captain Isidro Cedera of the navy and some civilian janitors.

General Ramos said Captain Cedera and an unidentified civilian were wounded in an exchange of fire. He did not give further details.

General Ramos said an assault on the building was ordered "with instructions that there must be a minimum number of casualties." The mutiny ended shortly afterward. Two of the rebels were captured and the rest surrendered.

Witnesses said 200 troops backed by armored vehicles had surrounded the building.

It was the fourth time Mrs. Aquino has faced open revolt by dissident soldiers since she took power 14 months ago. The president has also been buffeted by frequent rumors of coup plots by military officers unhappy with her handling of the 18-year-old Communist insurgency.

The Manila area commander, Brigadier General Alexander Aguirre, said on Monday that pro-Aquino forces had temporarily neutralized a plan by disgruntled soldiers to take over an international school and vital installations.

Defense Minister Rafael Ileto said there were unverified reports of a coup plot by about 1,000 low-level soldiers.

General Ramos said the military was still trying to determine whether the latest mutiny was an isolated incident or part of a fresh coup attempt.

### ■ Charge by Marcos

Mr. Marcos said Saturday that Communists and supporters of President Aquino "staged and managed" the mutiny to distract Filipinos from the May 11 election, The Associated Press reported from Honolulu.

Mr. Marcos, in a statement, repeated his claim that he has neither the intention nor the capability to mastermind a coup against the Aquino government.

"The mutiny," he said, "was staged and managed by the Communists and the Aquino supporters in a deliberate effort to distract the enthusiasm of the people for the coming May 11 election, where it is accepted that there would be a substantial number of opposition candidates elected to serve as an effective balancing force against the oppressiveness of the Aquino government and the Communists."

### 7 Skiers Killed in Switzerland

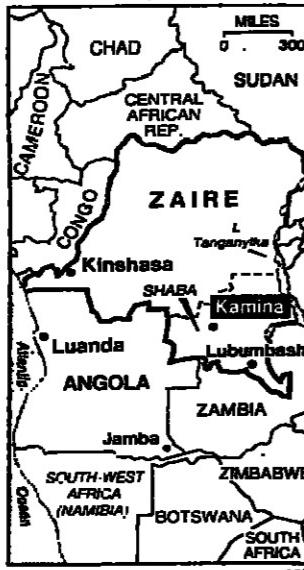
**Reuters**  
VERBIER, Switzerland — Avalanches and accidents have killed seven skiers in the Swiss Alps over the weekend, the police said Sunday.

Most of the United Democratic Front's leaders are either in detention or have gone underground. As recently as two months ago, Mr. Chikane was urged by friends not to return to South Africa from a trip abroad because of the possibility that he might be arrested.

Mr. Chikane was suspended as a minister of the Apostolic Faith Mission in 1980 because of his involvement in black activism. The Institute of Contextual Theology is a member of the Apostolic Faith Mission, a former follower of Steve Biko, the black nationalist who died in prison in 1977 after allegedly being tortured.

Mr. Chikane later became vice president of the United Democratic Front, a coalition of more than 700 anti-apartheid groups, and was responsible for Front activities in the populous Transvaal Province.

In 1985, Mr. Chikane was charged with treason along with 15 other prominent black nationalists but was acquitted.



## Pope Pleads For Dignity In Age of Technology

**Reuters**  
VATICAN CITY — Pope John Paul II, in his Easter message, urged people not to lose reverence for life in an age of technology and to respect the dignity of human beings.

"May the man of the technological age not reduce himself to a mere object but respect, from its very beginning, the unrenounceable dignity that is proper to him," the pope said Sunday in the address traditionally called Urbi et Orbi — to the city of Rome and to the world.

At the culmination of the Roman Catholic Church's Easter celebrations, the pope celebrated Mass for more than 300,000 people in St. Peter's Square.

Afterward, delivering his message in Italian, the pope urged people "always to respect the transcendent dignity of all their fellow human beings, whether they be poor or hungry, imprisoned, sick, dying, wounded in body or mind, beset by doubt or tempted to despair."

"They always remain the children of God," he said. "Each one deserves respect and support, deserved love."

After his address, the pope wished the world a happy Easter in 50 modern languages and in Latin. He spoke in all the Eastern European languages, ending with his native Polish. Among the other languages used were Aramaic, Hebrew, Thai, Tamil and Swahili.

In Northern Ireland, meanwhile, thousands of Protestant and Catholic marchers defied new British laws by taking part in traditional Easter parades, watched over by police and army security forces.

In Belfast, prominent members of Sinn Fein, the political wing of the Irish Republican Army, commemorated the 1916 Easter rebellion by marching through Catholic strongholds.

New public order laws require marchers to give police at least seven days notice of a rally.

The IRA staged a show of strength in Londonderry, where 11 men and women took over a street in the Creggan neighborhood.

Easter rallies in West Germany brought out several thousand demonstrators in support of nuclear disarmament, organizers said.

Among the biggest rallies were a demonstration by about 2,500 people at the U.S. cruise missile base at Hasselbach, south of Bonn, and one by about 1,000 people at the Pershing-2 missile base at Muthingen, in southwest Germany.

There were no reports of disturbances.

The organizers of the protests included anti-nuclear, labor, church and leftist political groups. Mass rallies were also scheduled for Monday in several large cities.

## Vatican Asks Bishops' Help In Cutting Its Budget Deficit

*Washington Post Service*

VATICAN CITY — Alarmed by prospects of an ever-widening budget deficit, the Vatican has sent letters to each of its 3,000 bishops soliciting funds to help the church administration get out of the red, according to Vatican officials.

It was decided to send the letter last month at a meeting of 15 cardinals appointed by Pope John Paul II.

The council is an umbrella organization for the country's English-speaking denominations. It is one of the most influential religious bodies that monitor and speak out against the government's apartheid policies.

Mr. Chikane will replace the Reverend C.F. Beyers Naude, the rebel Dutch Reformed cleric who shocked his fellow Afrikaners in 1963 when he left his congregation to head the now-banned anti-apartheid Christian Institute. A month later he resigned from the secret Afrikaner society, the Broederbond, rather than abandon his opposition to racial segregation.

Mr. Chikane, general-secretary of the Institute of Contextual Theology and a member of the Apostolic Faith Mission, is a former follower of Steve Biko, the black nationalist who died in prison in 1977 after allegedly being tortured.

Mr. Chikane was suspended as a minister of the Apostolic Faith Mission in 1980 because of his involvement in black activism. The Institute of Contextual Theology is a proponent of close involvement with the masses.

Mr. Chikane later became vice president of the United Democratic Front, a coalition of more than 700 anti-apartheid groups, and was responsible for Front activities in the populous Transvaal Province.

In 1985, Mr. Chikane was charged with treason along with 15 other prominent black nationalists but was acquitted.

Sources in the Front said members who had been detained and released had reported that their interrogators warned that if Mr. Chikane returned to South Africa he would be put in jail and would "never get out alive."

In 1985, Mr. Chikane was charged with treason along with 15 other prominent black nationalists but was acquitted.

Just paying the interest on that debt will cost Americans as much \$60 billion a year by 1990 — about one percent of the U.S. gross national product, which measures the total value of goods and services excluding income from investments abroad. The debt payments will lower U.S. living standards by

reducing disposable income in the United States.

The United States will have to meet its foreign debt obligations by increasing its exports.

Goods and services shipped abroad will reduce the supply at home and thus reduce the growth of U.S. living standards, the economists Martin S. and Kathleen Feldstein noted recently. Mr. Feldstein is the former chairman of President Ronald Reagan's Council of Economic Advisors.

"I wouldn't say we face a lower living standard, but maybe a plateauing — a definite slowdown in the increases in living standards we experienced in the '60s and '70s," said Jerome M. Rosow, president of the World America Institute of Scarsdale, New York. "We'll have a standard of living that's more in tune with slower economic growth."

"We won't be on a pedestal," he added.

How will the American Dream play at this slower tempo? The House majority leader, Thomas S. Foley, a Washington Democrat, worries that it may not play well.

The moderate course of U.S.



### A Toast to Honor Israel's Military Leader

Yitzhak Rabin, the Israeli defense minister, center, toasting the departing commander of the nation's armed forces, Lieutenant General Moshe Levy, right, on Sunday. Succeeding General Levy as chief of the general staff is Lieutenant General Dan Shomron, left, leader of the Israeli raid that rescued passengers of a hijacked airliner at the Entebbe airport in Uganda in 1976.

Max Nash/The Associated Press

## Arafat Foes End Boycott, Outlook Dim Will Attend Algiers Talks For Jewish Emigration

*Reuters*

ALGIERS — A number of Syrian-based factions of the Palestine Liberation Organization are ending a boycott of the Palestine National Council, the PLO's so-called parliament in exile, to attend the session opening on Monday, one of the PLO's highest decision-making bodies.

The session will debate a proposed Middle East peace conference and Arab leaders have said they will be looking for a clear signal from the council on the issue before holding an Arab summit meeting, long-delayed because of quarrels among Arab nations.

A draft resolution was being drawn up calling for a peace conference attended by the five permanent members of the United Nations Security Council — the Soviet Union, the United States, Britain, France and China — an independent PLO delegation and other parties concerned in the Arab-Israeli conflict. PLO sources said.

The Syrian-based PLO groups have demanded a price for their attendance at the council meeting and for PLO reconciliation.

As part of that price, Mr. Arafat has announced cancellation of a 1985 accord he made with Jordan, a decision yet to be formalized by the 426-member council.

Talking of a return to a "golden age" of Palestinian unity in the 1970s, Mr. Hawatmeh said: "This session of the PNC will be the third election since 1975 and the country's most open to date. Voters were offered 229 candidates for 496 seats and urged to pick a more dynamic legislature to carry out the new reformist policies set out by the ruling Communist Party.

Richard Schifter, assistant secretary of state for human rights and humanitarian affairs, said Friday in an interview that middle-level Soviet officials had outlined their intention, to review the cases of 10,000 to 12,000 Jews who had been refused permission to leave. How many will be let go is unclear, Mr. Schifter said.

He reported officials as saying that, once the applications of these would-be emigres have been processed, Jews will not be treated differently from other Soviet citizens, meaning that very few will have the right to leave.

"What they would like to accomplish at this particular point," Mr. Schifter said, "is get the refusenik group out of there and hope that there would be a significant decline in pressure for emigration so they can put this issue to rest."

Mr. Arafat also has come under strong pressure to cut relations with another moderate Arab nation, Egypt. It was the issue of contacts with Egypt that caused a major split in PLO ranks after a 1983 Syrian-backed rebellion against Mr. Arafat.

Mr. Arafat's group, el-Fatah, the biggest in the PLO, has made clear it supports continued contacts with Cairo, still officially shunned by most Arab nations because of its 1979 peace treaty with Israel.

After nearly a week of negotiations in Algiers among eight PLO factions, the question of ties with Egypt remained unsolved, although a compromise might be agreed that groups could state their differing positions at the council meeting, Palestinian sources said.

Syria, seeing some of the Damascus-based groups drifting away from its control, has indicated it is ready to ease opposition to el-Fatah.

■ Egypt Ties Restored

The letter omits details of the Vatican's total wealth and income, officials said. While it lists expenditures and revenues from the Vatican bureau, the foreign service and worldwide shortwave radio station, the multilingual newspaper "L'Observateur Romand" and other publishing interests, and salaries for the Vatican's 3,000 employees.

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# Castro Holds Forth On Sports and AIDS

Cigarless, in Role of Good Neighbor

By Joseph B. Treaster  
*New York Times Service*

HAVANA — Shortly after midnight, in the starkly modern Palace of the Revolution, Fidel Castro was presenting himself as the good neighbor.

Harmony with Washington, he said, ignoring years of insult-trading and war by proxy, "doesn't depend on us."

The first group of American journalists to interview Mr. Castro in a year or so had crowded around him to talk about sports, specifically the Pan-American Games, to be held in August in Indianapolis.

Someone explained that a controversy had arisen over the raising of the Cuban flag at a center of the games, a place called American Legion Mall.

"It seems to me that controversy doesn't make much sense," Mr. Castro said through an interpreter in soft, measured Spanish. "It seems we are living in a civilized world. In our country when we have sports competitions and American teams compete, the two flags are always there. I don't think in Indianapolis you will have such prejudices."

Soon Mr. Castro, 60, was off into talk about health and medicine.

## U.S.-Cuban Relations Called Worst in Decades

By Julia Preston  
*Washington Post Service*

HAVANA — Relations between the United States and Cuba are the worst in more than two decades, according to a top Cuban official and Western diplomats.

The freeze that set in late last year has, among other things, dimmed hopes of Cubans in both countries for increased transit in both directions, a prospect that appeared briefly in 1985.

Cuban officials contrasted the impasse with Washington to gains in breaking out of their diplomatic isolation with democratic nations in Latin America. Brazil, Argentina and Uruguay have opened embassies or increased their representation in Havana in recent months, the officials pointed out.

No single incident brought on the deterioration with the United States, both sides said. Rather, differences accumulated and attempts at dialogue collapsed over the past two years, leaving Cuban officials expressing bitterness and frustration about the lack of progress.

During a week-long visit by a reporter, Cuban officials repeatedly expressed such sentiments, asking why Washington was ignoring bilateral issues.

"Our relations have dipped lower than what we thought could be the lowest point," said Ricardo Alarcón, a Foreign Ministry official who handles U.S.-Cuban affairs. He characterized the fall as the worst since the aftermath of the 1962 crisis during which the Soviet Union sought to place missiles in Cuba.

Events reached a nadir in early December, when the government ordered a nationwide military mobilization, called Bastión '86, billed as a rehearsal for a U.S. attack. During the mobilization, on Dec. 8, a U.S. SR-71 spy plane flew the length of the island, rattling windows with sonic booms, Mr. Alarcón recalled.

## Willi Smith, 39, Is Dead; U.S. Fashion Designer

By George James  
*New York Times Service*

NEW YORK — Willi Smith, 39, one of the U.S. fashion industry's most successful young designers, known for spirited and trendy clothes, died of pneumonia Friday at Mount Sinai Hospital.

He was admitted for tests to the hospital's intensive-care unit Thursday night with pneumonia, complicated by shigelloid, or bacillary dysentery. He had been ill about three weeks, said Mark Bozek, a spokesman for Mr. Smith.

Mr. Smith apparently came down with the dysentery on a recent monthlong visit to India, where the lightweight cotton fabric he used for many of his clothes was made, Mr. Bozek said.

Mr. Smith, who made inexpensive sportswear under the WilliWear label, was part of a wave of young black designers who came to prominence in the late 1960s. Last year his 11-year-old company had more than \$25 million in sales.

His apartment in lower Manhattan, with its collection of African, Oriental and contemporary works, reflected a love of art that gave his designs an extra dimension, especially in the colors he used.

Mr. Smith, who won the Coty American Fashion Critics' Award for Women's Fashion in 1983, numbered many artists among his



Harmony with Washington  
'doesn't depend on us.'

*Fidel Castro*

"an excellent situation" to cope with it.

Although nothing had been disclosed until Friday, he said that for more than a year Cuba had been treating people infected by the AIDS virus with a special diet, which he did not describe, and the experimental drug interferon.

Even though as recently as last week Cuban health officials told American journalists that they knew of only one death from AIDS in Cuba, Mr. Castro denied that Cuba had tried to conceal the extent of the disease.

He said that none of the 108 infected Cubans had developed AIDS or symptoms of the disease and that he believed Cuba had been "able to create a protective system" for them.

Mr. Castro said he believed that quarantining the victims in one medical facility, along with testing potential blood donors and Cubans returning from places with relatively high incidence of the disease, had been important in containing it in Cuba.

He said that the special AIDS unit was in the countryside near Havana and that it looked more like a farm than a hospital. He recalled that during an outbreak of dengue fever, for which Cuba blamed the Central Intelligence Agency, a mandatory quarantine had also been imposed.

Two days later, Cuba suspended charter flights from Miami, which since 1977 had been bringing U.S. diplomatic pouches and goods for the American staff of 20. Since then, at least 16 pouches have been delayed or stopped, diplomats said.

Mr. Alarcón said this and other measures put U.S. diplomats in Havana on the same footing as Cuba's envoys in Washington. He said that since the early days of the Reagan administration no Cuban diplomat has been invited to any official function in the U.S. capital.

On Feb. 1, the Interests Section chief, Curtis W. Kamman, was reassigned to Washington. The post remains vacant.

Just before Mr. Kamman left, he was called to meet with President Fidel Castro, diplomats said. News of the encounter leaked through the diplomatic corps, but both sides have remained tight-lipped about the discussion.

Cuba has not cut back on tobacco exports, which are an important source of income.

Not even the thought of Cuba's severe economic problems, with earnings down in most sectors and the prospect of a worse than usual sugar harvest, seemed to baffle Mr. Castro for the moment.

He joked about the declining value of the U.S. dollar, saying that at least "accommodations will be less expensive" in Indianapolis.

## White House Study Urges End to Many Covert Operations

*Washington Post Service*

SANTA BARBARA, California — An internal White House review of secret intelligence operations has concluded that nearly a third of the covert missions authorized by President Ronald Reagan should be terminated, administration sources said.

The review, ordered following the Iran-contra affair, focused on secret intelligence "findings" such as the one that Mr. Reagan signed to allow the sale of U.S. arms to Iran, the sources said Saturday.

In its report on the Iran-contra affair, the Tower commission criticized the White House for failing to monitor the covert operation properly and for failing to notify Congress.

Covert operations were emphasized under the former CIA director, William J. Casey. The sources said the review targeted covert operations, as distinct from secret intelligence-gathering efforts.

They said the national security adviser, Frank C. Carlucci, was more reluctant than some of his predecessors to use covert operations as an instrument of foreign policy because of the potential for political backlash.

Mr. King later denied there was any talk of a coup but said he had met with Lord Mountbatten and top government officials after the queen became worried about criticisms of Prime Minister Harold Wilson's administration.

Dick Shawn, 63, Comedian Known for 'Producers' Role

LA JOLLA, California (AP) — Dick Shawn, 63, the comedian best known for his role as a musical comedy Adolf Hitler in Mel Brooks' 1968 film "The Producers," died Friday after collapsing during a performance at the University of California at San Diego.

Mr. Shawn's other films included "It's a Mad Mad Mad World" in 1963 and "Love at First Sight" in 1979.

## Soviet-Ghanian Aid Accord

*Agence France-Presse*

ACCRA, Ghana — The Soviet Union is to rehabilitate an abandoned gold refinery at Tarkwa, western Ghana, under an agreement to be signed between the two countries soon, the Soviet ambassador in Accra, Vyacheslav Semyonov, said Saturday.

Willi Smith

Cecil Harmsworth King

## Book Says U.S. Knew Marcos Plan For '72 Rule

By Fox Butterfield  
*New York Times Service*

WASHINGTON — Contrary to official assertions, the U.S. Embassy in Manila knew that Ferdinand E. Marcos was about to declare martial law in 1972 and did not act to stop him, according to a new book by Raymond Bonner.

Drawing heavily on previously classified State Department and Central Intelligence Agency documents, Mr. Bonner contends that the CIA got a copy of the martial law declaration several days before Mr. Marcos announced it. The document was provided by a Filipino informer the CIA had recruited from among the small group of confidants who helped Mr. Marcos plan martial law.

The book also contends that Mr. Marcos was not concerned about possible adverse American reaction because he had telephoned President Richard M. Nixon, who said he had no objection to Mr. Marcos assuming absolute power.

The book, "Waiting With a Dictator: The Marcoses and the Making of American Policy," will be published this month by Times Books. Mr. Bonner is a former correspondent for The New York Times who has also written a book about El Salvador.

In his new book, Mr. Bonner asserts that American acquiescence to martial law was part of a long-term pattern of the American role in postwar Philippine politics. The book says that role was to bolster leaders who were seen as friendly to Washington regardless of how corrupt or oppressive they were.

Mr. Bonner said Mr. Nixon declined to be interviewed for the book.

These are among the other disclosures in the book:

As early as 1953, the CIA provided more than \$1 million to help elect Ramon Magsaysay. He was president from 1953 until his death in 1957.

To help persuade Mr. Marcos to dispatch a small civic action team to Vietnam, President Lyndon B. Johnson agreed to pay him \$39 million secretly, with State Department officers delivering the money in quarterly checks.

The CIA early on was aware that Mr. Marcos and his wife, Imelda, were amassing huge personal fortunes. In 1969, four years after Mr. Marcos was first elected president, an agency profile concluded that he had already stolen several hundred million dollars.

A CIA study of Mrs. Marcos in 1976 determined that she had taken over a portfolio of four dozen companies, including several banks, worth at least \$150 million.

The most striking new material in the book is Mr. Bonner's disclosure that the CIA warned the embassy that Mr. Marcos would declare martial law in 1972.

Mr. Nixon "seemed bored" by the news, a former member of the National Security Council staff told Mr. Bonner. Ambassador Henry Byrd later told Mr. Marcos that Washington would back him if martial law was needed to put down the then-tiny Communist insurgency. The insurgency was the pretext Mr. Marcos cited in declaring martial law in 1972.

The Communist insurgency, along with one by Islamic militants, remains one of the major problems of President Corazon C. Aquino, who succeeded Mr. Marcos after he was ousted in February 1986.

The system's heart is a detection chamber, able to examine each item of luggage or cargo in six seconds. It will first be given a four-

## AMERICAN TOPICS

### The Bootstrap Effort For Low-Cost Houses

"America is changing the way it is housing its poor," Mary Jordan reports in The Washington Post. "Instead of traditional rent subsidies, the new thrust is loans with little or no interest. Public housing is out; home ownership is in."

Rather than billion-dollar Federal programs, the new efforts are narrowly focused, this one financed by a city, that one by a church group. Nonprofit organizations are becoming nearly as important in providing low-cost housing as the U.S. government.

Under the Reagan administration, the U.S. housing budget has shrunk from \$30 billion in 1981 to \$8 billion today. Many experts say this trend must be reversed if relief is to be found for the estimated 7.5 million low-income Americans who spend more than half their income on rent.

Though local programs are not expected to close the gap, one is suggesting such a thing would fail if legislators "like a 44-magnum at two feet," state representative Mark W. Stiles of Beaumont, told The New York Times. But now there is talk of an income tax to replace the oil and gas revenue that has gone dry. For Texas and the other states that have no personal income taxes — Alaska, New Hampshire, Nevada, Washington, Wyoming, South Dakota and Florida — the tax has become more appealing since the overhaul of the federal income tax system, which makes state income taxes, but not sales and other local taxes, deductible from federal taxable income.

Sighted in New York City's Kew Gardens neighborhood and reported by Pearl R. Wolf to The New York Times was a car with the much-used "Baby on Board" sign in the rear window. Tied to the back of the car was a



LIFE UNDER THE FAST LANE — In San Francisco, an architect, Donald MacDonald, offered this solution for the homeless: an \$800 plywood shelter with foam mattress, locker and clothes hangers. This "City Sleeper," as it is called, is placed under a highway overpass.

banner proclaiming, "Just Mar-

whom she purchased the The Anchorage Daily News in Alaska. Mr. Fanning died in 1971. Her paper won a Pulitzer prize in 1976 for an investigation of the teamsters union.

Texas boot makers are crafting a pair of jewel-encrusted cowboy boots for Pope John Paul II's visit in September. The papal seal, of dyed leather, gold inlay and rubies, will be centered on the front of each boot.

Archbishop Patrick Flores of San Antonio obtained the pope's shoe size during a recent visit to the Vatican. There was no estimate of the cost.

—ARTHUR HIGBEE

## U.S. to Test System for Detecting Bombs on Planes

*New York Times Service*

NEW YORK — The Federal Aviation Administration is soon to conduct tests of an advanced detection system designed to keep bombs or other explosive devices from being loaded onto the cargo holds of airliners.

The system's heart is a detection chamber, able to examine each item of luggage or cargo in six seconds. It will first be given a four-

week trial at San Francisco International Airport and later have similar tryouts at several other terminals.

Government officials say they hope that more polished versions close to what would eventually be produced in significant numbers, can start going into everyday use in major cities within two years.

The equipment operates by bombardment of streams of



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INTERNATIONAL HERALD TRIBUNE

# INTERNATIONAL HERALD TRIBUNE

Published With The New York Times and The Washington Post

## For Lack of Leadership

Each week brings evidence for prophets of economic doom: Brazil defaults on its debt; the monthly U.S. trade deficit hits \$15 billion; the dollar falls to new lows against the yen; President Reagan succumbs to pressure for retaliation against Japan ... And for the first time, responsible officials like Chairman Paul Volcker of the Federal Reserve openly speculate about a world financial crisis. Is the crash of '87 in the works?

No. A 1929-scale crash followed by a collapse in economic output is highly unlikely. If there were a collapse now, governments would swiftly shore up the banking system and restore consumer purchasing power. What is possible, however, is a plunge in the dollar that triggers a severe recession.

Even if crisis never comes, the international economy could fall into gridlock as debtors cut back on foreign purchases, developed countries stagnate and the world's poor tumble further into poverty. Governments know the risks and agree broadly on steps needed to protect the stressed financial system from breakdown. What is lacking is strong leadership to make the tough political decisions to match the new realities of interdependence.

Not many years ago America dominated international commerce. Today America shares top billing with Japan and Western Europe, while smaller countries like Saudi Arabia and Brazil have become important actors. Dependence is now mutual.

The big Reagan tax cut of 1981 dramatically increased consumer purchasing power at the expense of domestic saving. That temporarily suited Japan and West Germany, which were delighted to supply the United States with goods and to invest the dollar proceeds. But that sent up the value of the dollar, leaving many American pro-

ducers uncompetitive and creating yawning imbalances in trade. Meanwhile, sharp declines in the price of oil and other raw materials made it almost impossible for developing countries to service their foreign debts. The flow of new capital to Latin America and Africa has stopped, and with it their demand for U.S. goods.

Huge U.S. trade deficits cannot be indefinitely sustained with infusions of foreign capital. Virtually everyone agrees that a continuing stalemate on debt would wreck the Latin economies and destabilize their politics. There is even broad agreement on what must be done to right the economic balance.

Washington must credibly reduce the budget deficit by raising taxes and cutting spending. Efforts to protect U.S. companies from foreign competition must be resisted. Most important, all the economic powers must rethink obsolete growth strategies.

Japan needs to sever the link between prosperity and the growth of exports to America, diverting surplus savings to domestic uses. Europe and Japan must renounce the costly agricultural protectionism that feeds their trade surpluses and depresses world commodity prices. America must take the lead on Latin debt, orchestrating concessions by banks and offering government capital through multilateral lenders.

If the outlines of a fix are clear, what is stopping it? Every reform means pain for someone, and the current generation of leaders lacks the political will to exact it. No one expects overnight solutions to problems a decade in the making. But leaders show little inclination to move in the direction they know is right. Until they do, the world economy will remain at great risk.

—THE NEW YORK TIMES.

## A Less Nuclear Europe

Europeans are feeling rushed and pushed by the new missile deal. For 40 years the United States has protected a Europe unable, since World War II, to defend itself. The gap was filled with troops to ensure American engagement and with a ladder of weapons to provide the options of "flexible response." Now American protection will go on but some of the terms are changing.

On the ladder of flexible response, the United States is trying to work out with the Kremlin a removal of one and a half rings: medium-range missiles and, on the Soviet side, which alone has them, shorter-range missiles, too. Other American rings will stay, including troops, battlefield and tactical nuclear weapons and nuclear-weapon-carrying land- and carrier-based aircraft, plus the strategic deterrent. British and French nuclear arsenals will stay, too. So there will be plenty of nuclear arms around: 4,600 American warheads hardly add up to "denuclearizing Europe." Certainly this should ease the European fear of being abandoned to overwhelming Soviet conventional and chemical might.

But of course the fear persists. No one can be entirely comfortable relying on someone else, even a proven friend, for his ultimate

destiny. And Americans sometimes act carelessly. At Reykjavik, President Reagan fed the European nightmare that the United States is so intent on making its own deal with Moscow that it would leave Europe exposed. That is why, last week in Moscow, George Shultz insisted on interrupting the bargaining and consulting the allies. Even as they demand to be consulted, the Europeans sometimes appear to prefer to be dictated to: It lets them ignore hard choices and heavy costs. But a sound alliance of democracies can proceed no other way.

The Americans promise no further nuclear cuts outside of a context that looks to negotiate down the threat posed by Soviet conventional and chemical advantage. This is sensible. On the strategic level, however, Europe's claims have not yet been adequately addressed. It fears not only an unrestrained strategic competition but also any agreement that would offer some sort of nuclear shield or other advantage to the superpowers alone. Europeans want predictability and protection against change, things hard to match. They can best get both by being ready to make their own special contribution to the alliance: improving conventional defense.

—THE WASHINGTON POST.

## Holy Week Reminders

Holy Week, the week of Easter and Passover, was a time to think of renewal and freedom, as good a week as any to believe anew that faith can move mountains. In a cathedral in Cape Town and in a mansion in Moscow, people who gathered for religious services seemed to be changing it.

The service in South Africa was convened to do precisely what the government had just forbidden: protest the detention without trial of thousands of South Africans. Black and white, Jew and Christian, with the American ambassador joining in — some 800 protested the state of emergency that had put an estimated 30,000 in jail.

"My plea is for you to rise up and revolt against this ban," said Alan Boesak, president of the World Alliance of Reformed Churches. "This is not the madness of just one man; this is the madness of a government which has long ago lost all legitimacy and can only live out its last days compounding the evil it has begun."

Police gave the protest a wide berth. The government seemed to soften slightly. It had not intended to outlaw prayer in a bona fide religious service, an official said. But reli-

gious leaders did not intend to stop there, either. They urged the congregation to take the protest beyond the cathedral walls. "If these actions, undertaken in obedience to God's demand, lead to possible charges and imprisonment, so be it," said one.

On the same day, some 50 "refuseniks," long denied permission to leave the Soviet Union, joined in a Passover seder in the home of the U.S. ambassador in Moscow. They celebrated the feast of emancipation, these men and women, many of them only recently freed from prison or exile. Secretary of State George Shultz joined them, an Episcopalian in a white yarmulke. He had brought kosher food and wine from America, and gifts: a handsomely bound copy of the seder ritual for one guest, a picture of another's grandchildren in America. "You are on our minds," he told them.

Two governments denying liberty and justice. Many faiths, asserting that such injustice must be opposed. In this Holy Week of 1987, these were heartening reminders of the strength, and warmth, of religion enlisted in the service of freedom.

—THE NEW YORK TIMES.

## Other Comment

### What About Eastern Europe?

It is an evil empire. President Reagan was and is right. Not having been on the other side of the Iron Curtain for some 30 years, I had forgotten what Russia has done to Eastern Europe. A visit to Poland is a chastening reminder. It is like going back to the Middle Ages. No progress has been made since I was last here in 1955.

The country gives the impression of having been frozen forever into the drab patterns of postwar austerity: few goods in the shops, no paint on the cracked and peeling buildings, no signs of animation in the streets, and, as for the countryside, only the occasional ancient horse and plough. Even in the main tourist hotels, washbasin plugs are often either missing or attached by sodden string, and one is lucky to find a bit

of jam for breakfast. The most flyblown African country is better off than Poland. And it is truly all Russia's fault for imposing and sustaining Communist governments which stifle every form of free and legitimate economic activity.

This Russian-imposed desolation is a crime against humanity. If there is a bargain to be done with Mikhail Gorbachev, should not the West at least try to make sure that Eastern Europe is included among the beneficiaries? Poland is dying through economic strangulation. Its death throes, in the form of Solidarity, are noble and moving. But admiring the death throes is no excuse for having done absolutely nothing to avert the destruction of a fine and ancient nation.

—Peregrine Worsthorne, editor, in *The Sunday Telegraph* (London).

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## Espionage: So What Else Is New?

By Charles Krauthammer

**WASHINGTON** — Remember the Soviet brigade in Cuba? In 1979, President Carter submitted the SALT-2 treaty to the Senate for ratification. Senator Frank Church, chairman of the Foreign Relations Committee, discovered a Soviet brigade in Cuba. To meet the "crisis," SALT-2 hearings were postponed. The president was put on the defensive and the atmosphere was poisoned. The treaty was delayed and then sunk by the Soviet invasion of Afghanistan. Then it turned out that the brigade had been there for 16 years. It was the non-issue of the decade. But it did its damage.

Every decade has its bogus Cuban brigade. Now we have ours: the embassy spy hysteria.

The greatest deliberative body in the world is again an arms control mood, pushing for treaties — test ban, SDI, even a revived SALT-2 — from a weakened president. So a weakened president, desperate to shore himself up politically and within sight of a Euromissile treaty, prepares to dispatch his secretary of state to Moscow for crucial arms control talks. And what happens? The Senate discovers that the Soviets have been spying on the present U.S. Embassy in Moscow and that the new embassy there is riddled with bugs. Shocked, it passes a resolution urging Secretary of State George Shultz to stay home rather than negotiate with such cheaters.

The Soviets called the American reaction to the embassy story "spy hysteria." The Kremlin is not often right. This case is an exception. Hysteria it is. There is absolutely nothing new here. The Soviets have been building their hilltop, spy-net Washington embassy for 10 years. Anyone who drives by can see the forest of antennas atop the buildings from which the Soviets can listen in on any conversation they please.

It has long been known that the new Moscow embassy was bugged right down to the concrete foundation. Senator Daniel Patrick Moynihan, for one, has been complaining about the embassy problems for years. Every administration since Richard Nixon's has ignored it. What happens? A couple of Marine Corps guards in Moscow betray their country and let in the Soviets in exchange for the favors of a KGB Mata Hari, and Washington goes bonkers.

"Whereas the Soviet Union has totally compromised the security of our embassy in Moscow . . ." intoned the Senate, 70-30. Not exactly. The marines did the compromising. The Soviets walked through an open door.

"Sordid isn't an 'affront,' an 'assault on U.S. Embassy security,'" complained Lawrence Eagleburger, "just go too far."

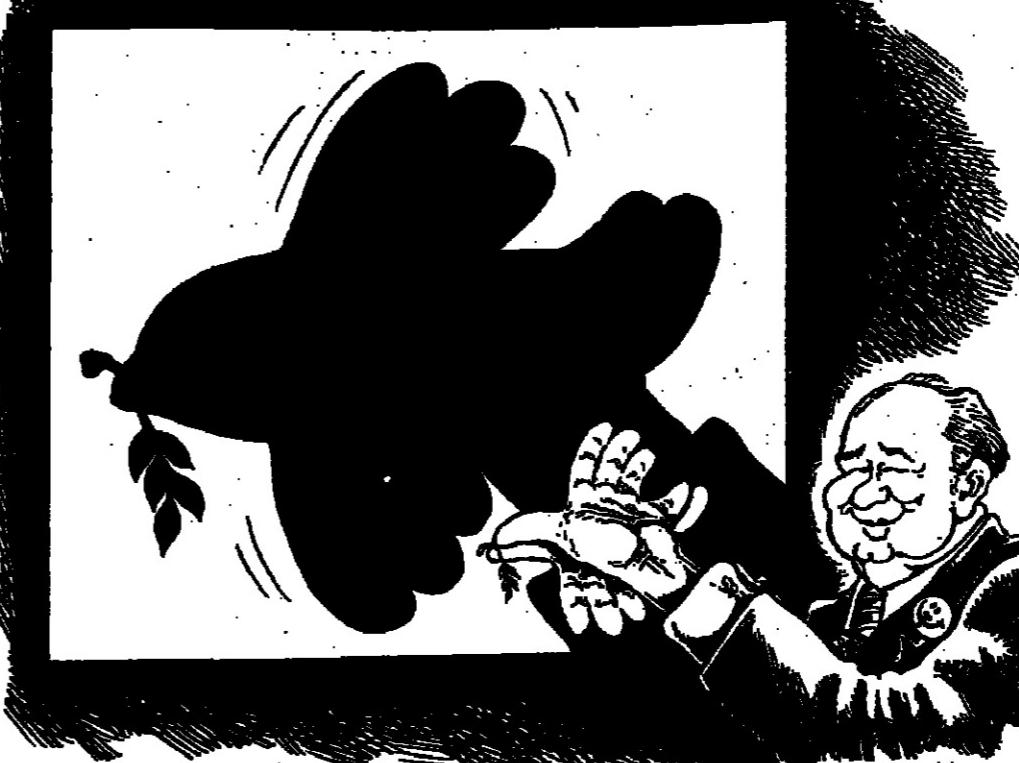
Really? The FBI tried to tunnel into the basement of the Soviet consulate in San Francisco in the early 1970s. I wish they had made it. If FBI counterintelligence is not trying to seduce, blackmail and "turn" Soviet agents in the United States, it should have its appropriations rescinded.

Espionage does not play by Miss Manners. No wonder the Soviets, who operate generally by conspiracy, believe that American naivete must be feigned and that there are darker reasons for the spy hysteria.

Yet Washington has reacted as if the Soviets had, say, taken over a small Central American country.

And my favorite: Syndicated columnists Rowland Evans and Robert

## OPINION



stand: as if the Soviets had cheated at Olympic hockey.) The Senate, joined by a bevy of columnists, urged Mr. Shultz not to go to Moscow for arms control talks. Why? Because the embassy is not secure? But it has never been secure. To register a protest against Soviet "penetration" of the embassy? But in fact one side was just protesting the other's success at a game they both play.

To his credit, Mr. Shultz went to Moscow and made considerable progress. The hysteria will now shortly blow itself out. What will remain are questions not about American security but about American seriousness.

If Congress pretends to making high national policy on things like arms control, it had better stop these absurd about-faces. Just when negotiations are heating up, to suggest boycotting talks because of an issue that would be utterly peripheral if it were not phony in a demonstration of high unseriousness.

Good thing the Cuban brigade syndrome strikes only once a decade. —  
Washington Post Writers Group.

## Gorbachev: Concessions In Advance

By Jim Hoagland

**LONDON** — The diplomatic action was in Moscow and Brussels last week as the United States virtually wrapped up negotiations with the Soviet Union to remove medium-range nuclear missiles from Europe. But No. 10 Downing Street is perhaps the best place these days to get a clear understanding of the big movements under way in East-West relations.

A satisfied afterglow remains from Margaret Thatcher's triumphant welcome in Moscow. But is it giving way to hard-nosed analysis of the long-term gains that Mikhail Gorbachev sought by buttering up the Iron Lady and then ostensibly sweeping aside final obstacles to the medium-range agreement in his meetings with Secretary of State George Shultz.

Neither act costs Mr. Gorbachev much in real terms. But they also bring him little immediate gain at home and can probably be used against him by hard-line opponents. Why do it? The best hypothesis heard here is that they fit into a determined new effort to get President Reagan into one final arms-control summit where he might agree to limit the testing and development of space-based weapons systems.

By offering concessions in advance in the form of the medium-range missile agreement, and by focusing his highly personalized style of diplomacy on Mrs. Thatcher and Mr. Shultz, Mr. Gorbachev appears to be hoping to build up credit to draw on when he confronts Mr. Reagan once again with demands to alter his positions on the anti-ballistic missile treaty and the Strategic Defense Initiative.

Domestically, Mr. Gorbachev is compared to Lenin. Diplomaticaly, he is increasing resembles Egypt's Anwar Sadat, who believed that dramatic gestures and "paying in advance" would eventually compel his negotiating adversaries to respond in kind. Good thing the Cuban brigade syndrome strikes only once a decade. —  
Washington Post Writers Group.

## A Jordanian Appeal: American Jews Can Help

By Mohamed Kamal

The writer is Jordan's ambassador to the United States. This is the first of two articles.

Israel cannot continue to be imposed on the region. It must be accepted by the Arabs, and only a just and lasting peace will bring acceptance. There is no alternative, if Arabs and Jews are to live again in peace and harmony as they did for so many centuries throughout history.

In practical terms, the prospects for peace depend on the mutual Arab and Israeli recognition of three basic principles:

- That the occupation of land and hegemony over people by force is inadmissible.
- That peace can only be negotiated with the participation of all parties involved in the conflict, including the Palestinians.
- That every country in the region, including Israel, must be guaranteed the security of its sovereign existence.

I believe that the American Jewish community, backed by the great power of U.S. national support, can provide Israel the reassurance it apparently needs to make a real move toward peace. It is through this combination of the American Jewish community and U.S. government backing that Israel developed into the major regional power it is today. And it is only by the determined application of the American Jewish community's influence and U.S. government support that Israel will realize that its real security lies not in an isolated existence but in peaceful coexistence with its neighbors in the region.

I believe that the American Jewish community and the United States hold the power of persuasion required to move Israel toward peace.

The tremendous concern that both have shown — in wealth, energy and political weight across four decades of support to Israel — will have to be used to prevent the equally vital effort of securing the peace, or else all their past efforts will prove of little value.

Otherwise, in the end, all will be losers — Israel, the Arabs, America and perhaps the world.

The time is now ripe for Arabs and Jews alike to move toward peace negotiations. I hope that the American Jewish community will encourage both the Reagan administration and the government of Israel to join in an international conference on the Middle East that would set a framework for a just and durable peace agreement.

As examined. Only then can we see who really holds a key to peace in the Middle East.

A number of dedicated American Jewish organizations, financed and supported by the American Jewish community, lead a campaign to galvanize public opinion and administration policy into unwavering support of Israel. The pro-Israel lobby's primary arena of action is the U.S. Congress, where they work to guarantee American backing of Israel on every level. Their parallel negative concern is to deny American support to any other country perceived as an enemy of Israel, even those countries that have enjoyed long and friendly ties with the United States, such as Saudi Arabia and Jordan.

The past two years saw several examples of the power of domestic politics to harm U.S. relations with moderate Arabs and thereby disrupt chances for peace. One of the most essential elements used by Israel to strengthen its "special relationship" with the United States has been its steady cultivation of an anti-Arab reflex in the American mind.

As a result of pro-Israel efforts, the United States has patently ignored or minimized essential economic and strategic interests which it and its Western allies have in the Middle East. In addition to Middle East oil, there is the huge Arab market, which represents billions of dollars annually in Western exports to the region. In contrast, Israel has drained more than \$40 billion in aid from the U.S. government alone.

As for the great concern of U.S. policy makers over Soviet penetration in the Middle East, how can one small country of less than four million people, no matter how great its military might, be considered of more strategic value than the 200 million Arabs who in the final analysis will determine the ideological future of the region? —  
The Washington Post.

## Explanations for the Bull Market Don't Convince

By Robert J. Samuelson

horn's, bristle with arcane ratios. A lot of the rest is, well, gibberish.

## 7 Are Slain In Ethnic Fighting in Pakistan

**Reuters**  
KARACHI, Pakistan — Four persons were killed in a fresh outbreak of ethnic rioting in Karachi on Sunday, raising to seven the death toll since trouble began Saturday night, doctors said.

The police confirmed five deaths and said they had arrested more than 20 persons during fighting between the Pathans and Muhajir ethnic communities.

Pathans, originally from northwest Pakistan and Afghanistan, have a long history of rivalry with the Muhajirs, Urdu-speaking Moslems who came to Pakistan after the partition of the Indian subcontinent in 1947.

The doctors, who had earlier reported three persons dead in clashes Saturday night, said four more persons had died Sunday in a gunfight between members of the two communities in a Karachi suburb.

They said they had treated 40 persons, mostly with injuries caused by bullets, knives and stones.

The police said the trouble began when armed Pathans attacked Muhajirs in the suburb of New Karachi at midnight.

They said they fired tear gas Sunday to disperse crowds. Residents said the police also fired warning shots in the air as sporadic incidents continued Sunday morning.

The local authorities said that the police fought a 30-minute gun battle with "intruders" who set fire to houses and shot at policemen. They did not identify the intruders.

At least 200 people have died in clashes in Karachi in the last six months but the city of more than seven million people had been relatively quiet for almost three months.

On Friday evening, the militant Punjabi-Pathan Ittehad organization held a rally in the suburb of Orangi town, scene of mass bloodshed in December.

Speakers demanded that Muhajirs go back to India. Witnesses said hundreds of Pathans fired shots into the air and brandished Kalashnikov rifles, pistols and shotguns.

The local authorities said Sunday that the attackers, armed with automatic weapons, were from the town of Surjani, a housing development under construction.

Many Pathans moved illegally into Surjani after their homes in Sohrab Goth, once a center for arms and drug smugglers, were pulled down in an army operation in December.



A Buddhist monk was taken into custody in Seoul on Sunday after police fired tear gas to disperse thousands of anti-government demonstrators marking a 1960 student uprising.

## South Korea Sentences 2 Legislators As Part of New Drive Against Foes

By Clyde Haberman  
*New York Times Service*

SEOUL — A South Korean court has imposed jail sentences on two opposition legislators amid reports that prosecutors planned to step up criminal proceedings against more anti-government politicians. The imposition of the jail terms was suspended for two years.

The two legislators, members of the National Assembly, were convicted on charges of having incited student demonstrators when they denounced the government outside the gates of Korea University in September 1985.

One of the assemblymen, Park Chan Jong, received a one-year jail term and the other, Chough Soon Hyung, an eight-month sentence.

The sentencing fell into a pattern of rigid responses by the authorities to their opponents since April 13, when President Chun Doo Hwan canceled debate on revising the Constitution to allow for direct elections of a new president.

In the last few days, several opposition politicians have been indicted or questioned in cases that were either politically related or, if criminal in nature, were suddenly revived after lying dormant for as long as two years.

South Korean newspapers reported Saturday that 15 to 20 legislators, including a few from the ruling party, would be investigated on suspicion of illegal activities. According to one source, Mr. Chun has said he would like to crack

down even on politicians suspected of traffic violations.

The Korea Herald, a government-backed English-language paper, quoted an unidentified ruling party source as saying the purpose of the criminal inquiries was to "refresh the political atmosphere."

In his announcement on the constitutional debate, Mr. Chun said the country needed "untainted and competent politicians," and called for "improving the political climate through constitutional reform."

An opposition leader, Kim Young Sam, called the crackdown an act of "political retaliation" against a new party that he formed 10 days ago with another dissident politician, Kim Dae Jung.

Other anti-government figures saw an attempt to force them out of politics, since a convicted criminal may not sit in the National Assembly once he has exhausted his appeals.

"It may be just a warning, but I think it's more than that," said Lee Chul, a national assemblyman who joined the Kim's party. "They obviously want to kick me out of the Congress."

Mr. Lee was indicted last week in connection with an offense said to have been committed 15 months ago involving the alleged distribution of an anti-government statement to foreign embassies and news organizations. According to the charges, he violated a 1975 law forbidding South Koreans from defaming the state to foreigners.

They included a gradual expansion of political autonomy in villages and small cities, modifications of strict press laws and release of an unspecified number of political prisoners.

## Asians Warned to Act Now to Stop AIDS

By Michael Richardson  
*International Herald Tribune*

SINGAPORE — Parts of Asia may soon be afflicted by a large-scale outbreak of AIDS unless public education and control measures are improved, experts warn.

They cite widespread prostitution and drug abuse involving shared syringes, especially in the Philippines, Thailand, Japan, Malaysia and Hong Kong. The region, which contains more than half the world's population, has so far avoided the epidemic of acquired immune deficiency syndrome.

Hiroshi Nakajima, director for the western Pacific of the World Health Organization, said recently that Asia was "the last frontier for AIDS."

Throughout Asia, fewer than 100 deaths from AIDS have been reported to the World Health Organization. But health workers say they believe there are now thousands of carriers of the AIDS virus among the region's drug addicts, homosexuals and blood bank recipients — to heterosexual men and women.

The virus is spread through sexual intercourse or exchange of blood. It breaks down the body's immunity system against fatal cancers and infections.

Indonesia and Singapore announced their first reported AIDS deaths this month.

The victim in Indonesia was a Dutch tourist who got AIDS overseas. The Singaporean officials said, had been infected after receiving blood transfusions during a medical operation while he was abroad.

A Zairean diplomat based in China died of AIDS in March in Hong Kong, where he had gone for treatment. In February, a 62-year-old man became South Korea's first fatality.

Women and children were among the fatalities when terrorists stopped a succession of buses and trucks on a country road north of here and sprayed the passengers with gunfire.

Most of the dead were ethnic Sinhalese. Survivors said Tamils and Moslems were ordered off the vehicles before the killing began.

At least 64 people were reported wounded in the attack.

Sinhalese organizations also called for the abandoning of the government's plan to grant limited autonomy to Tamil regions in the north and east as a means to end the separatist rebellion.

Gamini Iriyagolla, a spokesman for the Federation of Sinhalese Organizations, said, "This mass murder is the latest in a series of genocidal attacks by Tamil terrorists against the Sinhalese majority as a matter of policy, in pursuit of racial political aims."

He said civil war would follow if Sri Lanka was divided into autonomous regions, as demanded by the rebels, and he urged the govern-

Australia in the early 1980s, more than 25,000 carriers of the AIDS antibody have been detected in tests.

Doctors in Australia said at least 25 percent would develop AIDS within four to 10 years. The death toll from AIDS in Australia has risen to 238, with 24 deaths reported in the month to March 26.

Japan has had 36 confirmed patients, of whom 24 have died. Experts estimate that there are 7,000 to 10,000 AIDS carriers in Japan.

The health authorities in Australia and Japan say they are concerned at the way in which AIDS is slowly spreading from immediate high-risk groups — intravenous drug addicts, homosexuals, bisexuals and blood bank recipients — to heterosexual men and women.

Dr. Yuichi Shiozaki, chairman of a special medical council set up in December by the Japanese government to combat AIDS, said he believed the most important single measure was to "inform and educate people."

Neal Blewett, Australia's health minister, said he will invite his ministerial counterparts and their ad-

visers from the Asia-Pacific region to a World Health Organization conference in Sydney or Melbourne in July to pool information on the disease and cooperate in preventing its spread.

Mr. Rao said 10 of those tested had been found to be infected with the AIDS virus. The decree ordered deportation of AIDS victims but the minister did not say what action had been taken.

After Japan and Australia, the most comprehensive program to limit the disease is being undertaken by South Korea, which has said it wants to ensure the safety of thousands of tourists expected to attend the 1988 summer Olympic Games in Seoul.

The South Korean health officials said legislation to be submitted to parliament later this year would empower the government to expel foreign AIDS carriers from the country and order prostitutes to undergo tests for the disease.

These tests are already performed regularly on call girls near U.S. bases in South Korea and at homosexual bars across the country.

## Crackdown on Tamil Rebels Urged

### Appeal in Sri Lanka Follows Attack That Killed 126

By Barbara Crossette  
*New York Times Service*

COLOMBO, Sri Lanka — Sinhalese groups have called on the government to take a tougher approach against Tamil terrorism following Friday's guerrilla attack in which 126 people were killed.

In an interview, Ian D. Gust, director of virology at the Fairfield Infectious Diseases Hospital in Melbourne, Australia, said that mass travel and tourism made it difficult to stop the spread of AIDS.

He said one risk for Asia was that the disease was being imported by "sexual tourists" and spread through contacts with male or female prostitutes who did not know how to protect themselves and continued to pay their trade.

The Philippines is considered particularly vulnerable because of the heavy influx in recent years of U.S. servicemen on recreation leave, U.S. servicemen stationed there, and pleasure seekers from Australia and Japan, the two countries most seriously affected with AIDS in the western Pacific.

The spread of AIDS from U.S. bases has become a concern in recent months in the Philippines, where 17,000 American servicemen and 16,000 dependents are based.

Since the disease appeared in

men "to crush terrorism in this country forthwith."

The authorities blamed the country's most powerful Tamil separatist army, the Liberation Tigers of Tamil Eelam, for the killing, which occurred in a week that was holy to Sri Lanka's Buddhists, Hindus and Christians. Sinhalese are largely Buddhists, and Tamils are mostly Hindus. The Christian community draws on both ethnic groups.

The Liberation Tigers, in a statement from their headquarters in Madras, denied the government charges, calling them "unfounded and aimed at tarnishing our image."

The attack took place near the village of Aluth-Oya, about 120 miles (195 kilometers) northeast of Colombo in the Trincomalee district, a strategically and economically important region being bitterly fought over by the minority Tamils and the Sri Lankan Army, which is dominated by the Sinhalese majority.

Friday's assault was the worst act of violence in Sri Lanka since Tamil guerrillas attacked the holy city of Anuradhapura in May 1985, leaving nearly 150 people dead.

The attack came as a surprise to the government, which had declared a cease-fire for the festival season.

Over the last month, the Liberation Tigers and a rival guerrilla group, the Tamil Eelam Liberation Organization, have been preoccupied with internecine fighting.

The Tigers' commander in the northern city of Jaffna, where Tamil militants control the streets, barely survived an assassination attempt by other Tamils. The Tigers were reported to have killed dozens of their rivals in revenge.

The Tamil guerrillas have been under heavy pressure from government forces over the last few months but have apparently withdrawn, that as well as an embargo on fuel shipments to their regions.

The government said Saturday that it had flown in 5,000 troops to hunt for the attackers. But the area's scrub and jungle landscape makes the fast-moving rebel armies difficult to find, military officers said.

The militant Tamils of the north and east, who form about 12 percent of the country's population, are fighting for an independent territory they want to call Tamil Eelam. Another group of Tamils, different by caste and history, populate the hilly central tea-plantation area of Sri Lanka. These Tamils, who make up about 6 percent of the population, have not joined in calling for a separate state.

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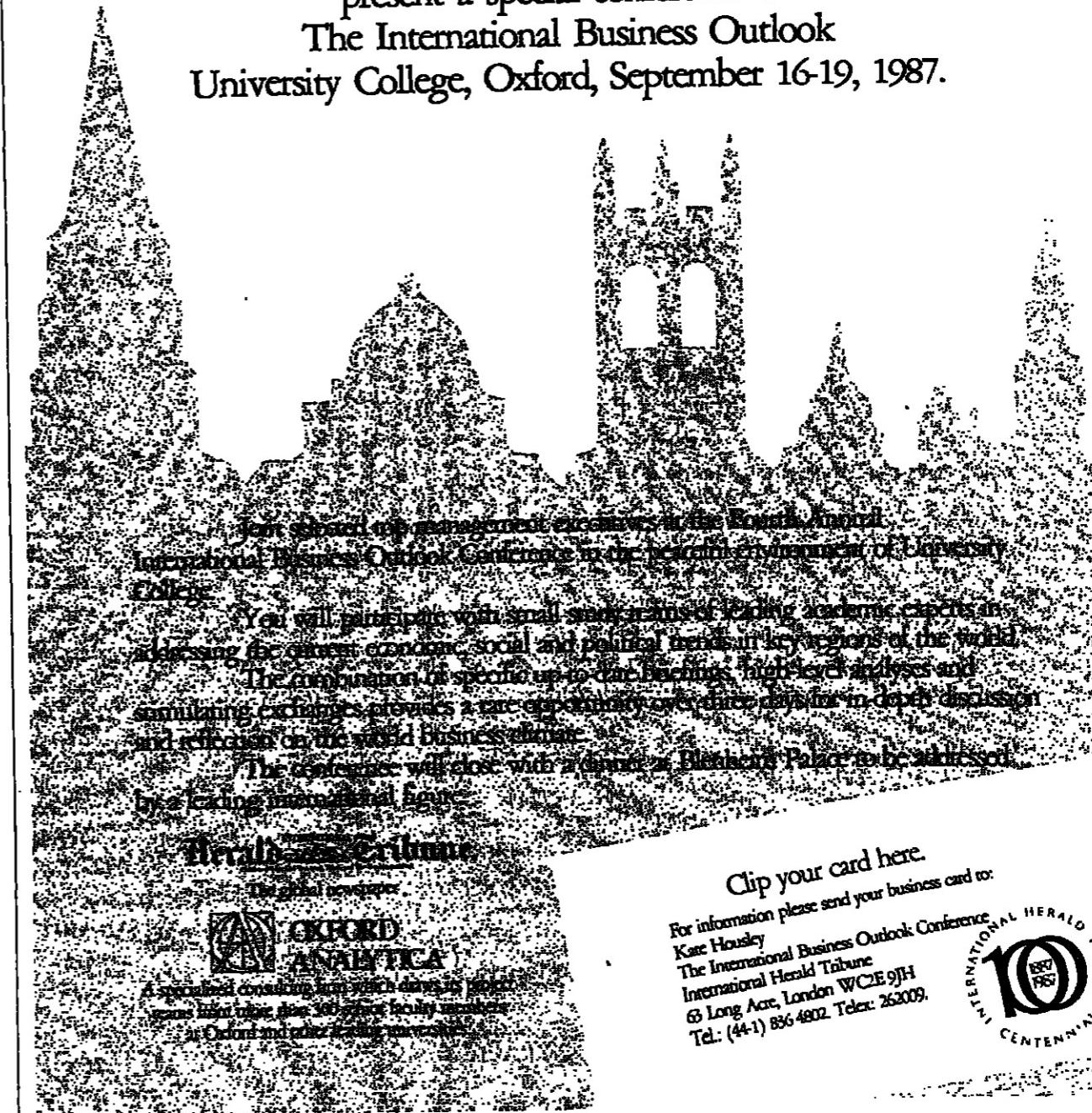
The Museum is open daily from 2-5pm (except Mondays) from March 28th - November 2nd; also open Bank Holidays and preceding Sundays 11am-5pm.

Further details may be obtained from: The Secretary, The American Museum in Britain, Claverton Manor, Bath. Tel: (0225) 60503.

*The American Museum in Britain*

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## Soviet SS-20s Were First Step

By Barry James

*International Herald Tribune*

The debate on missiles in Europe began in the late 1970s with the deployment of a new Soviet missile, the SS-20, intermediate in range between strategic weapons capable of hitting the United States and tactical weapons that might be used in Europe.

Mobile, concealable, and armed with three nuclear warheads, the SS-20, with a range of up to 3,000 miles (4,850 kilometers), threatened all of Western Europe.

For European members of the North Atlantic Treaty Organization, the SS-20 raised questions about the effectiveness of the American nuclear umbrella.

If the Soviet Union attacked them, could they be certain the United States would commit its strategic arsenal to their defense and risk destruction of its own territory?

Henry A. Kissinger suggested in a 1979 speech that the answer was "no."

The NATO response to the threat was its "two-track" decision of 1979. It would deploy 108 Pershing-2 missiles and 464 ground-launched cruise missiles as a European-based countermeasure to the SS-20. At the same time, NATO said it would forego the deployment if the Soviet Union agreed to dismantle its SS-20s.

Moscow declined, and the NATO deployment began at the end of 1983. With the buildup continuing, NATO has at least 316 cruise and Pershing-2 missiles compared with 441 SS-20s.

But at their summit meeting in Iceland last year, President Ronald Reagan and Mikhail S. Gorbachev tentatively agreed to eliminate all land-based intermediate-range missiles from Europe, retaining 100 warheads on each side in Alaska and the Far East.

Washington insisted that the pact must also include the elimination of about 130 shorter-range Soviet missiles, with a range of 300 to 600 miles.

Mr. Gorbachev now has agreed to this, and gone further by proposing to eliminate even shorter-range nuclear missiles in Europe, down to the battlefield level. He has also expressed his

### The Missiles on the Table

#### United States

##### Ground Launched Cruise Missile

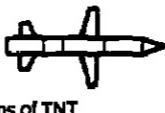
Range: Approximately 1,550 miles

Size: 21 feet

Warhead: 1

Destructive force: Equivalent to 200,000 tons of TNT

Number deployed: 208 in Western Europe (Britain, West Germany, the Netherlands, Belgium and Italy)



##### Pershing 2

Range: 1,120 miles

Size: 34 4 feet

Warhead: 1

Destructive force: Adjustable from 5,000 to 50,000 equivalent tons of TNT

Number deployed: 108 in West Germany

*Source: June's Words in Systems 1986-87 International Institute for Strategic Studies*

#### Soviet Union

##### SS-20

Range: Approximately 3,100 miles

Size: 52.8 feet

Warheads: 3

Destructive force: Each warhead is equivalent to 150,000 tons of TNT

Number deployed: NATO says the Russians have 270 in the European part of the Soviet Union. The Soviets say they have 243. In addition, 171 are deployed within the Asian part of the Soviet Union.

*Source: June's Words in Systems 1986-87 International Institute for Strategic Studies*

*The New York Times*

willingness to achieve an accord on chemical weapons.

Now the Europeans are nervous again. They fear that if President Reagan accepts Mr. Gorbachev's proposals, they will be deprived of a relatively cheap and efficient nuclear deterrent and left vulnerable to the Soviet Union's numerical superiority in conventional weapons.

And as in the 1970s, they are worrying sotto voce whether they can trust the United States to defend them with its strategic arsenal — including nuclear weapons carried aboard submarines and bombers — if Washington

agrees to withdraw weapons on chemical weapons.

For the Europeans, medium and shorter-range missiles are central to the disarmament debate. For the United States, an agreement on intermediate or shorter-range missiles is but a step on the long road toward a possible accord on the longer-range strategic arms.

Until that day comes, Britain and France say, there is no question of negotiating away their independent nuclear strike forces, which are considered to be strategic rather than part of the strictly European balance.

He told a radio interviewer that he favored limiting any missile agreement to the elimination of medium-range missiles, with a range of 600 to 1,800 miles. Further arms reductions should be made dependent on cuts in Soviet conventional arsenals, he said.

Mr. Wörner said NATO must maintain its strategy of flexible response, under which the West reserves the right to answer a Soviet conventional attack with nuclear weapons if necessary.

The opposition Social Democratic Party leader, Hans-Joachim Vogel, urged Mr. Kohl on Sunday to clarify his government's reaction to the Soviet offer. He said contradictions between Mr. Genscher and Mr. Wörner were causing uncertainty in both the East and West.

Mr. Reagan said both sides had agreed on conducting negotiations on such weapons under a "global framework" that would take account of Soviet missiles in Europe and elsewhere.

"It is my hope that the process now under way continues to move forward and that Mr. Gorbachev and I can complete an historic agreement on East-West relations at a summit meeting," he said.

Representative Les Amico, Democrat of Oregon, said of the Russians:

"They want an agreement for the moment it would create in the post-Reagan era. They will kick the U.S. around a little bit if they don't get their way on shorter-range missiles, but I think their eye is clearly fixed on the next administration. They want a deal, and my feeling is they will go a distance more."

Mr. Wright said, "We believe that this moment in history presents to us the very best opportunity we have seen, surely in the past 50 years, to achieve a constructive agreement, mutual and verifiable, and we believe to the advantage of both our countries."

He added: "Frankly, I discerned a relatively greater sense of flexibility on the Soviet side than on the U.S. side."

Mr. Reagan, who spoke from his ranch after meeting with Mr. Shultz on his arms discussions in Moscow, said the two sides had agreed on the principle of on-site verification, which has been a stumbling block on an agreement.

Four Israelis were also wounded in the same confrontation. Two weeks ago, two Israeli soldiers were killed in a similar clash.

The Israeli security zone extends from five to 12 miles (eight and 19 kilometers) north of the Israel-Lebanon border. Israeli military officials believe the guerrillas may be set out from the village.

Eighteen members of the Iranian Shiite Hezbollah, or Party of God, militia were killed Saturday when they tried to overrun a position jointly manned by Israel and its ally, the South Lebanon Army militia, in Israel's self-declared "security zone" north of its border with Lebanon, according to an army spokesman.

The incident was the latest in an intensifying series of clashes between Israeli troops and Palestinian and Lebanese Shiite Moslem guerrillas along Israel's northern border.

"All of this happened very close to our settlements," said the northern front commander, Major General Yoossi Peled. "It was imperative that we quickly found the squad and killed its members."

The upsurge in anti-Israeli activity in south Lebanon, after several months of relative quiet, is viewed by Israeli military officials and Lebanon experts as a direct result of Syria's dispatch in the last two months of its troops into Beirut and then down the Lebanese coastal highway to the Sidon area.

"This in itself is a serious development, suggesting that elements of

## Bonn Split Widens Over Gorbachev Missile Plan

Reuters

BONN — Differences are widening in West Germany's center-right coalition government over how to respond to the proposal by the Soviet Union to abolish shorter-range nuclear missiles from Europe.

Foreign Minister Hans-Dietrich Genscher cautioned Sunday in a newspaper interview against dismissing the offer out of hand. Defense Minister Manfred Wörner, however, has warned that it would undermine the North Atlantic Treaty Organization's strategy of nuclear deterrence.

An estimated 100,000 people, many waving flags, gathered Sunday in the Plaza de Mayo in Buenos Aires for the fourth consecutive day of demonstrations against the military revolt.

At a ceremony inside, political, labor and business leaders signed a document condemning uprisings, saying democracy was the only road for Argentina.

The document urged people to stay "in all of the streets and squares of the republic to show their support for peace and this historic pact."

Colonel Rico had said that almost the entire army supported him. He said Saturday night: "The army is fed up with being slapped around. This, here, is the national army; this is the professional army."

Other rebel officers said they remained loyal to Mr. Alfonsín but did not recognize the authority of the top army leadership.

Political sources said that, because of widespread military dissatisfaction over trials for human rights abuses, it was not certain whether the government had the clear support of the armed forces in putting down the rebellion.

The navy chief of staff, Ramón Arostegui, said the crisis had sparked "deep concern" in his service. He said the uprising was "the result of unleashed wounds that have been festering and led to circumstances of extreme difficulty."

On Saturday night, the governor of Córdoba Province, Eduardo Angeloz, a key political ally of Mr. Alfonsín, had said troops loyal to him were resisting orders to use force against the rebels.

"I think they've got some very good arguments concerning basic contract law," said Christopher M. Ames, a deputy attorney general in San Francisco.

Consumers in Chicago and San Diego have filed separate lawsuits representing passengers as a class against United, American and TWA. The Hawaii Legislature

## REBEL: Argentine Soldiers End Their Revolt After Meeting With Alfonsín

(Continued from Page 1)

trenched in an infantry school at Campo de Mayo. Their faces were caked with green and brown camouflage paint and they were in full combat gear, armed with assault rifles, automatic pistols and grenades.

The police used tear gas and fired rubber bullets to disperse about 50 civilians who tried to enter the complex.

The uprising was the worst military crisis under Argentina's democratic government. Mr. Alfonsín, who took office in 1983 after almost eight years of military rule, has said he wants to avoid bloodshed.

Mr. Alfonsín was quoted as saying, "Everything seems to indicate that at some point the chain of command has been broken, since there is resistance to acting against the rebels."

After he fled the Córdoba base on Friday, Major Barreiro is believed to have sought refuge at a foreign consulate or church in Córdoba.

Major Barreiro faces charges of

torture and kidnapping. He was chief interrogator at the notorious La Perla detention camp in Córdoba under the former military government.

Military leaders have often expressed resentment at the human rights trials ordered after Mr. Alfonsín took office. Press reports said the depth of resentment had not been publicly revealed until now.

At least 9,000 people vanished

during the military rule, most after passing through clandestine torture and detention centers, a presidential panel reported in 1984.

Civilian courts are hearing about 200 human rights cases against military officers. Twenty-five officers have been arrested.

Major Barreiro is accused of heading an interrogation team that kidnapped people and tortured them at La Perla.

## DUTCH: Abbey's Service

(Continued from Page 1)

plutocratic nation's already liberal policies on these subjects.

"Brotherly love," said Willem van den Elzen, a 23-year-old conscientious objector who is doing his 18 months' national service in the abbey's offices rather than in the army.

"The Dutch people have learned not to like authority and intimidation. Father Baeten is terrific; he leads gently."

At the Good Friday commemoration inside the abbey church, Mr. van den Elzen said one important point for a visitor to realize was that the gathering of more than 200 faithful who joined in prayer and song with the abbey's 30 monks were mainly the "strict" Catholics, middle-class family people in good standing with church regulations.

Thus Berne Abbey could be seen on this critical church weekend of rebirth as far from ostracized by mainstream laymen. In prayer, in silence, with heads bowed together with the white-robed monks, the faithful presented a scene crowded with the noncontroversial hopes of centuries-old tradition.

"Thou spoke to us in our deepest need: Your body had been broken," read a prayer chosen for the Easter resurrection service. "Think of your Lord until he comes back."

"We have seven centuries of continuous pastoral involvement here, and I think you could say that we know our people," Father Baeten has observed in defending the abbey and its policy of sanctuary from criticism. "No one can accuse us of being unworthy priests."

## FLY: Rule Changes Prompt Suits

(Continued from Page 1)

Hawaii is displacing paying customers, particularly in first class, where a round-trip ticket between New York and Honolulu costs \$2,498.

"Some of the airlines were giving away the store," said Maxine Ehrenreich, a Long Island resident who belongs to several programs.

United now requires \$90,000 miles (about 146,200 kilometers) for two round-trip coach tickets anywhere in the continental United States, Mexico, Canada or the Caribbean to 35,000 miles, from 40,000.

Until May 1, American Airlines frequent fliers can earn two round-trip coach tickets to Hawaii for 50,000 miles. After May 1, the requirement climbs to 75,000. But American plans to introduce a new award for domestic travel that matches United's offer.

The changes have drawn more criticism than thanks from travelers, many of whom discovered them tucked away in the fine print of their monthly frequent flier statements.

The attorneys general of California, Kansas and New York are investigating the possibility of consumer fraud violations.

"I think they've got some very good arguments concerning basic contract law," said Christopher M. Ames, a deputy attorney general in San Francisco.

Consumers in Chicago and San Diego have filed separate lawsuits representing passengers as a class against United, American and TWA. The Hawaii Legislature

passed a resolution last month condemning United and American as having "thoughtlessly failed to consider the future ramifications of their actions."

United, the largest carrier to Hawaii, is so flustered by all the resonance that it is re-examining the new levels that took effect Jan. 1. "At this point we're seriously considering changing our structure," said James E. Goodwin, senior vice president for marketing at United.

The angry chorus of complaints has caught many airline executives by surprise. Frequent flier programs have enjoyed runaway success since American introduced the first one in 1981. Originally conceived as short-term publicity moves, the programs have evolved into "the single best marketing plan ever devised by the airlines," according to James B. Smith, director of business marketing for TWA.

The programs have transformed spending and marketing patterns and have become a competitive tool that the carriers use to instill loyalty in their customers. For business travelers deciding which airline to fly, they rank second in importance only to schedule convenience.

There are 15 million to 20 million members in frequent flier programs in the United States, and last year members took free trips valued at \$1 billion, according to John Holland, president of The Business Flyer, a newsletter.

A billion dollars also is enough

to attract the interest of the Internal Revenue Service, which is expected to propose regulations later this year requiring frequent fliers to report their free trips as taxable income.

On April 1, the IRS will begin a review of frequent flier programs to determine whether they are being used to circumvent tax laws.

Mr. Goodwin said, "We are not trying to do anything illegal."

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United, the largest carrier to Hawaii, is so flustered by all the resonance that it is re-examining the new levels that took effect Jan. 1. "At this point we're seriously considering changing our structure," said James E. Goodwin, senior vice president for marketing at United.

The angry chorus of complaints has caught many airline executives by surprise. Frequent flier programs have enjoyed runaway success since American introduced the first one in 1981. Originally conceived as short-term publicity moves, the programs have evolved into "the single best marketing plan ever devised by the airlines," according to James B. Smith, director of business marketing for TWA.

The programs have transformed spending and marketing patterns and have become a competitive tool that the carriers use to instill loyalty in their customers. For business travelers deciding which airline to fly, they rank second in importance only to schedule convenience.





كما في الأصل

## New International Bond Issues

Compiled by Aimee Potter Hardou

| Issuer                                 | Amount<br>(millions) | Mot. | Coup.<br>% | Price<br>end<br>week | Terms  |
|--|----------------------|------|------------|----------------------|--|
| <b>FLOATING RATE NOTES</b>             |                      |      |            |                      |  |
| Bank of China                          | \$200                | 1997 | 1/16       | 100                  | — Over 3-month Libor. Callable in 1994. Fees 2.5%.   |
| Merrill Lynch Trust 16                 | \$250                | 2018 | 1/2        | 100                  | — Over 3-month Libor. Collateralized by Federal Nat'l Home Mortgage's 11.16% issue. Average life 1.59 years. Fees undisclosed.   |
| <b>FIXED-COUPON</b>                    |                      |      |            |                      |  |
| Banque Nationale de Paris              | \$100                | 1992 | zero       | 80                   | 78.50 Yield 4.55% Each \$1,000 note with one 3-year warrant to buy gold at \$426 per ounce, a 12.2% premium. Proceeds \$78.50 million. Fees 1.1%.  |
| Intl' Corona Resources                 | \$50                 | 1992 | 3 1/2      | 100                  | 99.00 Convertible into gold or \$62.02 per ounce and with a minimum of 2 warrants to buy gold or \$547.94 on ounces. Fees 2.5%.  |
| Swedish Export Credit                  | \$100                | 1990 | 8          | 105.18               | 103.93 Each \$5,000 note with 10 warrants. 5 one-year call warrants to receive one quarter of the difference between Maturus Index spot price at time of exchange and strike price of \$445, and 5 two-year put warrants reversing the terms. Fees 1.9%. |
| Saint Gobain Netherlands               | ECU 75               | 1992 | 4 1/2      | 100                  | 101.25 Noncallable. Each ECU 1,000 note with one 3-year warrant to buy gold or \$490 per oz. Fees 1.1%.  |
| British Columbia Telephone             | C 50                 | 1994 | 9 1/2      | 101 1/2              | 102.75 Noncallable. Fees 1.1%.   |
| Amsterdam-Rotterdam Bank               | Aus\$60              | 1990 | 14 1/2     | 101 1/2              | 99.75 Noncallable. Fees 1.1%.  |
| Deutsche Bank Finance                  | Aus\$100             | 1990 | 14 1/2     | 101 1/2              | 100.50 Noncallable. Fees 1.1%.   |
| New South Wales Treasury               | Aus\$100             | 1992 | 14 1/2     | 101 1/2              | 100.00 Noncallable. Fees 2%.   |
| State Bank of Victoria                 | Aus\$50              | 1990 | 14 1/2     | 101 1/2              | 99.38 Noncallable. Fees 1.1%.  |
| Volvo                                  | Aus\$50              | 1990 | 10%        | 100%                 | 99.13 Noncallable. Interest to be paid in Deutsche marks. Bonds are also payable in marks or 1,299 marks per Australian dollar. At maturity redemption will be at par in Australian dollars. Privately placed. Fees undisclosed.                         |
| Crédit National                        | Y 15,000             | 1992 | 4%         | 102 1/2              | — Redemable and callable at par in 1990. Fees 1.1%.  |
| DNC Int'l Finance                      | Y 20,000             | 1992 | 4 1/2      | 102                  | 100.00 Redemable and callable at par in 1990. Fees 1.1%.   |
| Ente Nazionale per l'Energia Elettrica | Y 15,000             | 1994 | 4%         | 101 1/2              | 99.88 Noncallable. Fees 1.1%.  |
| Industrial Bank of Japan               | Y 30,000             | 1997 | 4%         | 101 1/2              | 99.58 Noncallable. Fees 2%.  |
| Lives 2                                | Y 17,000             | 1992 | zero       | 82.25                | — Yield 3.6%. Noncallable. Proceeds Y13.8 billion. Partial repackaging of Denmark's \$500 million 7/65 issue. Fees 1.5%.   |
| Union Bank of Switzerland              | Y 15,000             | 1992 | 4%         | 101 1/2              | 99.63 Callable and redeemable at par in 1991. Fees 1.1%.   |
| <b>EQUITY-LINKED</b>                   |                      |      |            |                      |  |
| Alza                                   | \$75                 | 2002 | 5 1/2      | 100                  | 101.50 Callable at 103 in 1990. Convertible at \$425 per share, on 18% premium. Fees 2%. Terms to be set on April 21.  |
| Hokuriku Electric Industry             | \$35                 | 1992 | 2%         | 100                  | — Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of 547 yen per share and of 144.50 yen per dollar. Fees 2.6%.  |
| Nippon Shokubai Kogaku Kogyo           | \$80                 | 1992 | 2          | 100                  | 102.50 Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of 1,200 yen per share and of 142.50 yen per dollar. Fees 2.6%.   |
| Saitama Bank                           | \$100                | 2002 | 1 1/2      | 100                  | 113.50 Callable at 103 in 1992. Each \$5,000 note with one warrant exercisable into company's shares of 1,710 yen per share and of 141.50 yen per dollar. Fees 2.6%.   |
| Sakizui Chemical                       | \$300                | 1992 | 1 1/2      | 100                  | 103.00 Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of 1,200 yen per share and of 141.50 yen per dollar. Fees 2.6%.   |
| Sankei Building                        | \$60                 | 1992 | 2%         | 100                  | 100.00 Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of 1,200 yen per share and of 141.50 yen per dollar. Fees 2.6%.   |
| Sharp                                  | \$200                | 1992 | 2          | 100                  | 96.00 Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of a 26% premium. Fees 2.6%.   |
| Showa Aluminum                         | \$100                | 1992 | 2%         | 100                  | 98.00 Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of 572 yen per share and of 141.50 yen per dollar. Fees 2.6%.  |
| Zenchi                                 | \$40                 | 1992 | 2%         | 100                  | 100.00 Each \$5,000 note with one warrant exercisable into company's shares of 677 yen per share and of 143.20 yen per dollar. Fees 2.6%.  |
| Blue Circle Industries                 | £ 60                 | 2002 | 6 1/2      | 100                  | 99.25 Convertible at 860 pence per share a 0.86% premium. Fees 2%.   |

## Amid Urging to Trim Budget Deficit, U.S. Cuts Grants and Widens Loans

By Judith Havemann  
*Washington Post Service*

WASHINGTON — The pressure of the federal budget deficit has inverted the ancient proverb about the right and left hands. Within the U.S. government today, what the right hand takes away in budget cuts, the left hand gives them back.

Even as they have cut federal spending programs, Congress and the Reagan administration have increasingly resorted to loans as a deficit-reducing tactic.

As Representative Willis D. Gragin Jr., Republican of Ohio, said, loans are "a technique used during a period of budget stringency to do good things where the cost doesn't show up until later."

But one day, the costs will show up, making the budget-balancing task for future governments all the harder. "We are mortgaging our future," said Joseph R. Wright, deputy director of the Office of Management and Budget.

President Ronald Reagan proposed last month a major credit reform package designed to make current budgets reflect the "real" costs of federal loan programs. But these efforts face many hurdles in a Congress more worried about this year's deficits than those a decade or more away.

Outstanding federal credit, which totals \$701.4 billion, has grown so fast that today 14 percent of all money lent in the United States is connected to the government.

Strict cash accounting thus almost irresistibly leads to helping constituents via loan guarantees rather than in other ways. And critics say that this is not a good way to make public policy.

Berry P. Bosworth, an economist, argues that the high cost of the student loan program, most of which goes to assist students from middle- and upper-income families, soaks up most of the money available for educational aid at the federal level and prevents more significant assistance to the genuinely poor.

By the time the government pays a special allowance to banks to make the loans, keeps interest below market rates during times of high inflation, pays the interest while the student is in school, and stretches out repayment periods, more than 30 percent of the face value of the loan is really a federal subsidy, Mr. Bosworth contends.

"Congress is finding the student loan very expensive," he said. "But they can't save money in the short run by cutting back on student loans because the effects aren't felt for five or six years, after the next election."

"However, they can fix up the budget real quick by cutting the

## U.S. Fears Most GNP Growth Is in Inventories, Trade

By John M. Berry  
*Washington Post Service*

WASHINGTON — Reagan administration economists have not changed their official forecast that the U.S. economy will grow about 3.25 percent this year, but they are increasingly concerned that the growth might turn out to be no better than last year's 2 percent.

"There is some quickening in the economy," said one senior economist in the administration, "but it is not solid enough to get your hands on. It's the same as we've seen the last two years."

"The basic situation still looks good," he said. "Capital spending plans are up, and employment was up strongly in January and February. But then you hit a weak month in March."

Employment gains last month were seen, retail sales rose only slightly, and industrial production and housing starts both fell.

The administration's uneasiness surfaced in comments last week by James C. Miller Jr., director of the White House Office of Management and Budget, who said he was worried that the Federal Reserve would "overreact" to the possibility of higher inflation and allow interest rates to rise.

"My fear is that if we get into a recession we are in deep soup," he said, "and there is no question about it."

The White House repudiated Mr. Miller's comments on Friday.

### Chrysler Paid \$23.6 Million to Iacocca in Year

Compiled by Our Staff From Dispatches

DETROIT — Chrysler Corp. paid its chairman, Lee A. Iacocca, \$14 million in salary, bonus and stock in 1986, and he exercised stock options netting another \$9.6 million, bringing his total compensation for the year to \$23.6 million.

Donald E. Petersen, who led Ford Motor Co. past General Motors Corp. in profit for the first time since 1974, took home a total of \$4.3 million.

The figures were disclosed in proxy statements issued Friday by the companies. GM has said its chairman, Roger B. Smith, received \$1.8 million in salary and bonuses for 1986.

GM's earnings fell to \$2.9 billion in 1986, from \$4 billion in 1985. Ford's earnings increased to \$3.3 billion, from \$2.5 billion. Chrysler's earnings declined 14.6 percent to \$1.4 billion from \$1.64 billion.

The terms are widely regarded as adequate in light of the improved economic climate. Inflation is down and the current-account deficit has been cut. But the major question is how much room traditional lenders have to increase their exposure to Greece. Some bankers said they would like to lend more, but have not received management permission to do so.

The big question then will be the extent to which Japanese banks are willing to pick up the slack. With

saying that he was expressing his personal views only.

Few, if any, forecasters are worried that a recession is imminent. Many private economists have even raised their predictions for growth this year.

Many expect the rate of growth

"It looks like it all hinges on

real reduction in the nation's trade deficit.

The Commerce Department will report preliminary GNP results this week for the first quarter. Forecasters' estimates of what the report will show are generally in the 3.5 percent to 3.7 percent range.

"It looks like it all hinges on

weak note this year and will not add much to GNP growth anyway in 1987, most forecasters say.

Nor will housing be a source of much strength. The inventory of unsold new homes has gone up, and housing starts are generally expected to be lower than in 1986.

Although the financial markets reacted adversely last week to the initial report on merchandise trade for February, which showed a larger-than-expected \$15.06 billion deficit, the trade deficit is getting smaller, most analysts believe. The department, in another monthly report based on different import valuations, said two days later that the figure was just \$13.65 billion.

Many analysts expect the second half of 1987 to be stronger than the first half as capital spending picks up and the trade situation improves.

The fear of some economists is that the weakness of the dollar's value on foreign-exchange markets also may continue, and that the recent rise in interest rates, which can be traced directly to the dollar, will take what momentum is left out of a sluggish economy.

## Greece Ponders a Change in Debt Profile

By Carl Gewirtz  
*International Herald Tribune*

PARIS — The Bank of Greece is asking banks for a \$300 million loan, all it needs to complete its foreign financing requirements for the year. However, Greek officials said last week that they may return to the market later to begin stretching out the maturity profile of existing debt scheduled to mature between next year and the early 1990s.

The current loan will run for eight years and bear interest at 1/2 point over the London interbank offered rate. The terms represent no change from what the bank paid late last year, although the average life is slightly longer. Repayment begins only after the fifth year, as opposed to a four-year grace period earlier.

Fees paid to underwriters total 40 basis points, or 0.4 percent. The prepayment paid to the six banks organizing the loan, Citibank, Chase Manhattan, Industrial Bank of Japan, Mitsubishi Bank, National Westminster and Arab Banking Corp., was not divulged.

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The terms are widely regarded as adequate in light of the improved economic climate. Inflation is down and the current-account deficit has been cut. But the major question is how much room traditional lenders have to increase their exposure to Greece. Some bankers said they would like to lend more, but have not received management permission to do so.

The big question then will be the extent to which Japanese banks are willing to pick up the slack. With

two lead managers among the six, the Japanese are expected to supply at least 33 percent of the total. But in previous loans, Japanese participation amounted to less than 25 percent.

Greek officials explained that

they will need no further new mon-

ey from the market, since the coun-

try drew down in February the sec-

ond leg of a loan from the Common

Market amounting to \$1 billion.

The country also expects to receive

the equivalent of around \$300 mil-

lion this year from the European

Investment Bank, the EC's long-

term financing institution.

However, if the market is repre-

itive, officials say they would like to

begin restructuring existing debt to

stretch out the hump in repayments

that starts next year.

A more controversial loan is the

\$150 million, seven-year facility be-

ing arranged by Chase for Banco di

Sicilia, a less than popular name

although it is state owned. The con-

troversy centers on the terms,

which are regarded as too ag

## NASDAQ National Market

*OTC Consolidated trading for week ended Friday.* April 17

| Sales    | Net   |    |         |     |     |      |
|----------|-------|----|---------|-----|-----|------|
| 100s     | High  |    |         |     |     |      |
| Low      | Close |    |         |     |     |      |
| Chg      | Chg%  |    |         |     |     |      |
| <b>A</b> |       |    |         |     |     |      |
| ABS      | .90   | 42 | \$4,194 | 19  | 19  | +1/2 |
| ACC      | 20    | 22 | 121     | 34  | 3   | +1/2 |
| ACD      | 3     | 10 | 567     | 154 | 154 | +1/2 |
| ACE      | 22    | 27 | 601     | 135 | 13  | +1/2 |
| AEF      |       |    |         |     |     |      |
| AEI      |       |    |         |     |     |      |
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| ALC Cr   |       |    |         |     |     |      |
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| Aclon AC |       |    |         |     |     |      |
| Aclon AD |       |    |         |     |     |      |
| Aclon AE |       |    |         |     |     |      |
| Aclon AF |       |    |         |     |     |      |
| Aclon AG |       |    |         |     |     |      |
| Aclon AH |       |    |         |     |     |      |
| Aclon AI |       |    |         |     |     |      |
| Aclon AJ |       |    |         |     |     |      |
| Aclon AK |       |    |         |     |     |      |
| Aclon AL |       |    |         |     |     |      |
| Aclon AM |       |    |         |     |     |      |
| Aclon AN |       |    |         |     |     |      |
| Aclon AR |       |    |         |     |     |      |
| Aclon AS |       |    |         |     |     |      |
| Aclon AT |       |    |         |     |     |      |
| Aclon AU |       |    |         |     |     |      |
| Aclon AV |       |    |         |     |     |      |
| Aclon AW |       |    |         |     |     |      |
| Aclon AX |       |    |         |     |     |      |
| Aclon AZ |       |    |         |     |     |      |
| Aclon B  |       |    |         |     |     |      |
| Aclon C  |       |    |         |     |     |      |
| Aclon D  |       |    |         |     |     |      |
| Aclon E  |       |    |         |     |     |      |

(continued on next page)

## ROCKWELL: Life After B-1

(Continued from first finance page)  
rich commercial and military electronics businesses.

The shift underscores what is happening throughout the aerospace industry. Wall Street has grown wary of most companies that are highly dependent on government contracts. Such companies often experience boom and bust cycles caused by programs that go full tilt for years, then end abruptly.

"For defense contractors, the nightmare is always what to do when this contract runs out, to avoid falling into a black hole," said Wolfgang H. Demisch, an analyst at First Boston Corp.

In an era of little or no growth in the defense budget, contractors must look elsewhere for their own growth. Commercial businesses are one avenue. And within the military sphere, demand for sophisticated electronic systems to guide and operate weaponry is increasing, spurring investments in that area.

About 18,000 Rockwell workers probably will have lost their jobs by the time the B-1 program ends. And Rockwell has little prospect of winning another big military aircraft project soon.

Still, Rockwell faces the end of the B-1 project in fairly good financial shape. For its fiscal year ended Sept. 30, Rockwell earned \$611.2 million. Revenues were \$1.2 billion. Net income of \$149.4 million, or \$1.05 a share, up 19 percent over the previous year. The company's stock, which was as low as \$37 last year, traded in the high \$30s last week.

Rockwell also seems well situated strategically. Even without the B-1, it is flush with U.S. government business, including the space shuttle orbiter and main engines; research on the Strategic Defense Initiative, a plan for a space-based defense against nuclear missiles; and major satellite and missile contracts.

In addition to its growing military and commercial electronics business, the company makes a variety of industrial products, including truck axles and Goss printing presses.

The diversification has given Rockwell something of a split personality. It has two headquarters offices: one in Pittsburgh that was set up when the company specialized in industrial products, and a newer one at the edge of Los Angeles International Airport in El Segundo, near Rockwell's high-technology aerospace operations.

Mr. Anderson works out of both offices while Mr. Beall is based in California. Although company executives say they will maintain the two headquarters indefinitely, El Segundo is where the decisions are made.

For the most part, those decisions have been the right ones, according to analysts and company executives. "Rockwell has positioned itself so it can look into the black hole and smile," Mr. Demisch of First Boston said.

Mr. Anderson said: "We're not going to be decimated. We have a balanced mix of businesses and a conservative balance sheet."

Other defense contractors are trying to position themselves similarly. Lockheed Corp., for example, faces the end of the \$6.7 billion

C-5B transport plane program at its plant in Marietta, Georgia. The program employs 9,000 people and is likely to account for more than a quarter of Lockheed's earnings this year.

To make up for the loss of the C-5 project, Lockheed is competing for other government contracts, including the next generation of air force fighter jets. Last year it also purchased Sanders Associates, a defense electronics company.

Rockwell's path toward diversification has not always been smooth. The Apollo space program, for which Rockwell was a prime contractor, came to an end in the early 1970s. With less money coming in from NASA, Rockwell tried to apply its technological skills to consumer products.

In 1973, it bought Admiral Corp. on the theory that a company that sent a man to the moon could build a better television.

The assumption was wrong. Few of Rockwell's skills transferred to the price-sensitive consumer marketplace. Under Rockwell, Admiral was able to build what it called "the Cadillac of televisions," but not at a price anyone would pay. Rockwell admitted defeat and sold Admiral in 1979. "We did our best and it wasn't good enough," Mr. Anderson said.

In the 1980s, Rockwell remembered that lesson well. It has

might prove to be too cyclical, like Rockwell's automotive components.

Mr. Anderson acknowledged that Allen-Bradley is suffering while one of its biggest customers, General Motors Co., re-assesses its capital spending plans. The repeat of the investment tax credit, which has temporarily slowed some capital outlays, also has hurt.

Rockwell has been investing heavily on the military side of its electronics business. Mr. Anderson asserts that the combination of the commercial electronics sector, including Allen-Bradley, and mili-

tary funds to build the Challenger's replacement are scheduled to become available in August. Until then, Rockwell is spending \$20 million of its own to keep technicians on the project, which is expected to take 45 months to finish.

In addition, the government has asked Rockwell to build a space shuttle to replace the Challenger, which exploded in midair in January 1986. Work on the \$2 billion contract is expected to start later this year, just as B-1 work begins to tail off.

Rockwell has been relatively un-

tainted by the controversy around

federal funds to build the Challenger's replacement are scheduled to become available in August. Until then, Rockwell is spending \$20 million of its own to keep technicians on the project, which is expected to take 45 months to finish.

Rockwell's involvement with high-visibility programs is likely to continue beyond the B-1 and the shuttle. The company hopes to build a large portion of the U.S. space station, which is expected to become operational by the middle of the 1990s.

Rockwell also is competing to design the so-called National Aerospace Plane, which would be a combination hypersonic passenger plane and low-orbit space vehicle. That project is not likely to come off the drawing boards until early in the 21st century.

The next major event anticipated at Rockwell is the passing of the baton from Mr. Anderson to Mr. Beall. The men are in close touch and claim to think much alike. "We communicate in half sentences," Mr. Beall said.

With the B-1 throwing off cash, Wall Street is wondering whether Rockwell might be looking for another big acquisition. But Mr. Beall said Rockwell was not planning another purchase unless an unexpected and perfect opportunity comes along.

"We're in the businesses we want to be in," he said. "We do not have in our planning to do another Allen-Bradley-sized deal and enter an altogether new business." Even without the B-1 and another big acquisition, Rockwell will have plenty on its hands.

The B-1 has been built under intense time and budget pressures. The air force, in an unusual move, opted to serve as the prime contractor for the program, meaning that it had ultimate responsibility for integrating the offensive and defensive systems into the airframe assembled by Rockwell.

Much of the criticism of the plane is directed at the air force's management of the program and the defensive avionics systems built by the AII division of Eaton Corp. Among other problems, the defensive and offensive avionics teams had to choose between protecting himself and carrying out his mission, Mr. Aspin said.

A few fingers have been pointed at Rockwell over problems such as fuel leaks. But in general, it appears to be finishing the program with its reputation intact for handling big aircraft programs efficiently.



Donald R. Beall, president of Rockwell International Corp., with a Navstar satellite; and Robert Anderson, the chairman. Mr. Beall is expected to be Mr. Anderson's successor.

shunned businesses it knows nothing about.

Two years ago, Rockwell spent \$1.7 billion to acquire Allen-Bradley Co., a leader in factory controls and automation. Allen-Bradley itself has one of the nation's most advanced computer-integrated manufacturing facilities.

The company was close enough to Rockwell's commercial electronics business to be familiar, but it was also judged to be a fast-growing, non-government business that could expand even more rapidly with capital infusions from Rockwell.

"We needed a good, strong growth business that would make up for the loss of the B-1," Mr. Anderson said. "We want a strategic mix so we are not completely exposed to the political winds of what might happen to a B-1 or a space shuttle."

Rockwell has made 11 smaller acquisitions to help round out Allen-Bradley's product line. The biggest was the \$100 million purchase of Electronics Corp. of America, which makes photoelectric controls and flame-monitoring devices.

The spending spree has yet to pay off. Allen-Bradley's financial results so far have been lackluster, and analysts worry that the unit

of the B-1. For several months, Representative Les Aspin, the Wisconsin Democrat who is chairman of the House Armed Services Committee, and other officials have been publicly questioning whether the B-1 is a \$20 billion lemon, incapable of performing without billions of dollars in repairs or modifications.

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Some of the biggest enhance-

ments to Rockwell's earnings in the next several years will come from events beyond the company's control. A lower corporate tax rate and more liberal rules for accounting for overfunded pension plans will add substantially to net profit.

In addition, the government has asked Rockwell to build a space shuttle to replace the Challenger, which exploded in midair in January 1986. Work on the \$2 billion contract is expected to start later this year, just as B-1 work begins to tail off.

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## TRADE: U.S., Japan Send Envoys to Discuss Sanctions

(Continued from first finance page)

that Japan would refrain from taking immediate retaliatory action against the United States.

He condemned the decision to impose punitive tariffs, but said:

"Hoping to prevent this issue from causing severe damage to the world's free trading system, the Japanese government has decided, from this broader perspective, not to take any retaliatory measures immediately."

He reaffirmed that Japan would file an appeal with GATT.

Although a ruling supporting Japan's claim that the U.S. punitive tariffs violate GATT rules would give international sanction to retaliatory tariffs by Japan, Mr. Reagan is widely expected to lift the sanctions.

He said he thought that Japan would be able to provide convincing new data on gains of sales of U.S. semiconductors in Japan and that Japanese chip makers

were not dumping in third-country markets by April 29, when Mr. Nakasone is to visit Washington.

"The problem is whether the United States will evaluate that data as convincing," he said.

### ■ Protest Resignation

Gerald M. Marks, the head of the U.S. Commerce Department's regional office in Chicago, said he intended to tender his resignation on Monday to protest the tariffs.

Mr. Marks, 59, head of the Chicago regional office since 1970, said: "The simple notion our trade deficit can be solved on a bilateral basis by getting tough with Japan is offering false hope to the nation and could be devastating to the world trading system."

## ASIA: ADB Says Low Prices, Debt Cut Public Borrowing

(Continued from first finance page)

New Zealand and nearly all countries in the European Community.

The report described the outlook for economic growth of its developing member countries in 1987 and beyond as "rather mixed."

But it said that despite difficult international conditions, the combined value of goods and services produced by those countries, excluding investment abroad, rose by 6 percent last year. The figure compared favorably with other parts of the world.

The annual report said that by the end of 1986, the bank had completed performance audits of 212 projects.

Some of the larger developing members of the bank are China, India, Indonesia, Bangladesh, the Philippines, Thailand, Pakistan, South Korea, Vietnam, Sri Lanka, Malaysia and Burma.

The annual report acknowledged that some of the loans the bank has

disbursed, which total more than \$8 billion, were based on exaggerated projections of rates of return.

The bank reported delays and other problems associated with loans to Bangladesh, Bhutan, Burma, Indonesia, Laos, Nepal, Pakistan, Papua New Guinea, the Philippines and Sri Lanka.

It said that progress was hampered by shortages of counterpart funds from recipient governments, low manpower, institutional constraints and cumbersome procedural requirements.

On the outlook for 1987 and beyond, the bank said that newly industrialized countries would have lower rates of economic growth than in the past.

It said that the economies of Hong Kong, Taiwan and South Korea were likely to grow by between 6 percent and 8 percent a year while the rate for Singapore would be around 5 percent.

## International Bond Prices

(Continued from first finance page)

REUTERS

PARIS — The Finance Ministry

to sell private bidders up to 20

percent of the shares of Agence Havas SA, the advertising group.

Havas, which is 50.25 percent

owned by the state, is one of 65

companies in the government's de-

nationalization program.

Up to 630,400 Havas shares with

a nominal value of 100 francs (\$16.60) each will be sold, out of

the group's total capital of 2.63

million shares and 525,000 invest-

ment certificates, the ministry said.

Friday, investors can bid for be-

tween 31,250 and 157,600 shares,

representing 1 percent to 5 percent

of the group's capital.

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at Rockwell over problems such as

fuel leaks. But in general, it ap-

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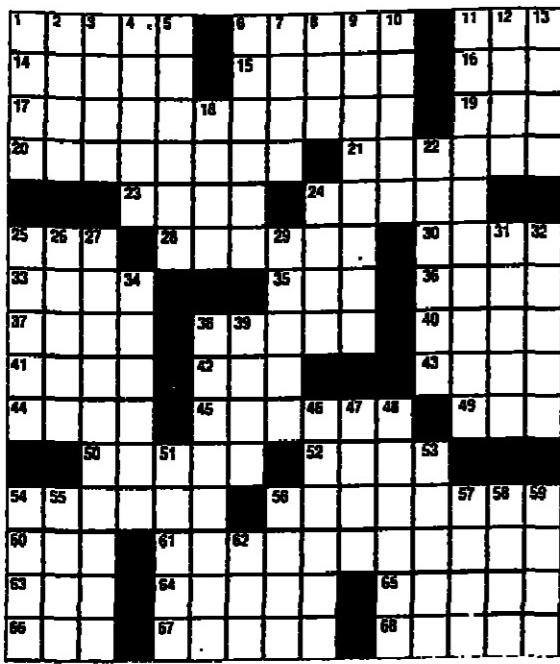
space

shuttle

pro-

gram.

## SPORTS

**NBA Suns Have 3 Indicted on Drug Charges; Davis Suspended***The Associated Press*

**ACROSS**

- 1 Witticisms
- 6 Brag
- 11 Brit. defenders
- 14 What "ye faithful" do
- 15 Printers' daggers
- 16 Wallach or Whitney
- 17 Seemingly contradictory
- 18 Bagel accompaniment
- 20 Comes forth
- 21 Make ineffective
- 22 Rouse
- 24 Saharan antelope
- 25 Saturn's wife
- 28 Ancient Jewish ascetic
- 30 Byron work
- 33 Author O'Flaherty
- 35 Broadcast
- 36 Alice's
- 37 Skirt style
- 38 Crumbly earth deposits
- 40 The act of: Br. suffix
- 41 A Slaughter
- 42 Elec. unit
- 43 Bondage
- 44 Beat pounders
- 45 Wrestle

**DOWN**

- 1 Make fun of
- 2 Cheese town
- 3 Carolina rail
- 4 Across: Prefix
- 5 Composed
- 6 Louis and Charles
- 7 Sashes in Sendai
- 8 N.R.C. predecessor
- 9 Defamed
- 10 Like some roofs
- 11 Workaholic's need

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**DENNIS THE MENACE**

"MAKE 'EM ON BROWN BREAD, MOM. THEN WE WON'T HAVE TO WASH OUR HANDS."

**JUMBLE.** THAT SCRABLED WORD GAME by Herb Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

|       |   |   |   |
|-------|---|---|---|
| SYSUF |   |   |   |
| Y     | S | U | F |
| Y     | S | U | F |

|       |   |   |   |
|-------|---|---|---|
| DOGUR |   |   |   |
| G     | O | G | R |
| G     | O | G | R |

|        |   |   |   |   |
|--------|---|---|---|---|
| JOADIN |   |   |   |   |
| J      | O | A | D | I |
| J      | O | A | D | I |

|        |   |   |   |   |   |
|--------|---|---|---|---|---|
| SMARDI |   |   |   |   |   |
| S      | M | A | R | D | I |
| S      | M | A | R | D | I |

You might want to clean your room first.

Are you kidding?!

4-20

WHAT A SPOILED BRAT DOES.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: **HIS OWN**

(Answers tomorrow)

Friday's Jumble: ANNUL LIBEL ZIGZAG SULTRY

Answer: What the bee got when he tried to phone home—THE "BUZZY" SIGNAL

**WEATHER****EUROPE****ASIA****AFRICA****LATIN AMERICA** **NORTH AMERICA****MIDDLE EAST****OCEANIA****MONDAY'S FORECAST****SPORTS****SCOREROOM****LEAGUE STANDINGS****WEEKLY LEADERS****WEEKLY RECORDS****WEEKLY NOTES****WEEKLY PREDICTIONS****WEEKLY SCHEDULE****WEEKLY TRENDS****WEEKLY UPDATES****WEEKLY VIEWS****WEEKLY WISDOM****WEEKLY WORDS****WEEKLY WORKS****WEEKLY WORTH****WEEKLY WORDS****WEEKLY WORDS**

## SPORTS

## SPORTS BRIEFS

## Gulch Rallies to Win Wood Memorial

**NEW YORK (NYT)** — Gulch, the best 2-year-old thoroughbred in the United States last summer but a disappointment ever since, rallied from far back in the field under Jose Santon to catch Gone West in the final stride and win the Wood Memorial by a head Saturday at Aqueduct.

The victory further scrambled the outlook for the Kentucky Derby on May 2. The first four Wood finishers — Gulch, Gone West, Shawdow and Won and Capote — are all likely to run for the roses at Churchill Downs, but none figures to be favored. Demon's Begone, Temperate Sil and Cryptoclearance are likely to vie for that role in a wide-open race that could draw a full field of 20 3-year-olds.

Gulch, trained by Leroy Jolley, ran the 1½ miles on a sloppy track in 1 minute, 49 seconds. Gulch had run poorly beyond sprint distances before Saturday, but had been retrained in recent weeks.

## Sauers, Jones Hold 3d-Round Lead

**HILTON HEAD ISLAND, South Carolina (AP)** — Gene Sauers birdied the final hole Saturday to shoot 7-under-par 64 and share the Heritage Classic lead with Steve Jones with a three-round total of 201.

Jones shot a third-round 67. Mark Hayes, who led the first two rounds and shot a 70, and Scott Hoch with a 67, were at 202. Davis Love 3d, with a 67, was at 204.

On Friday, Larry Mize, the Masters champion, failed to make the cut. He shot 76 Thursday and 70 Friday, for a two-round total of 146.

## Excluded Fans Riot at Safari Rally

**NAIROBI (AFP)** — Hundreds of people were injured, cars stoned and looted early Saturday after Safari Rally officials refused spectators entry into a rally control point.

Ten persons seriously injured had been admitted at a Kismayo hospital, and it took police several hours to bring the disturbances under control. The race continued later in the day.

Hannu Mikkola, the winner in 1972, led Sunday by 13 minutes, 16 seconds over Bjorn Waldegard of Sweden, whose Toyota Supra incurred 16 minutes, 31 seconds in penalty time in the first section of the day's leg. Only 26 cars were left in the race, which was to end Monday in Nairobi.

## Honeyghan Keeps Welterweight Title

**LONDON (AP)** — Britain's Lloyd Honeyghan won a unanimous 12-round decision Saturday over Maurice Blocker of the United States to retain his World Boxing Council and International Boxing Federation welterweight championships. Honeyghan, in his second title defense, raised his record to 30-0. It was Blocker's first loss in 25 fights.

In Nimes, France, Julio Cesar Chavez of Mexico retained his WBC super-welterweight title for the eighth time when the referee stopped the scheduled 12-round fight with Brazil's Francisco Toma da Cruz with 29 seconds remaining in the third round.

In Seoul, Chang Jung-koo of South Korea retained his WBC light-flyweight crown Sunday for the 12th time, against challenger Efrain Pinto of Mexico, when the fight was stopped in the sixth round of a scheduled 12-round match.

## For the Record

Twelve top South African sports figures publicly announced Sunday their support for an anti-government reform alliance in the whites-only elections on May 6. The 12 included Graeme Pollock, regarded before his retirement this year as one of the world's greatest cricketing batsmen, and Morne du Plessis, a former rugby captain.

A \$10 million jury verdict in the suit by Eugene Klein of the San Diego Chargers against Al Davis and the Los Angeles Raiders of the NFL was reduced by a judge to \$2.04 million from \$5 million.

Two-time Wimbledon champion Boris Becker; two-time Australian Open champion Stefan Edberg and two-time French Open champion Mats Wilander head the field when the Monte Carlo Open starts Monday.

Jimmy Connors, who has not won a tournament for more than two years, is entering the French Open in Paris next month in an attempt to win the only major title to elude him.

(APPS)

Joe DiM pole vaulted 19 feet, 4¾ inches (5.91 meters) Saturday at the Kansas Relays to break his U.S. record. He just failed to break the world mark of 19-8⅔ held by Sergei Bubka of the Soviet Union.

(AP)

## Quotable

• Tony LaRussa, manager of the Oakland A's: "When you're not winning, it's tough to win a game."

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